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# Near East/North Africa Report

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5 August 1982

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No. 2596

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INTER-ARAB AFFAIRS

KABUL REPORTS 'ARAFAT MESSAGE TO KARMAL

LD202124 Kabul Domestic Service in Dari 1600 GMT 20 Jul 82

[Reply message from PLO Executive Committee Chairman Yasir 'Arafat to Babrak Karmal, general secretary of the PDPA Central Committee and chairman of the DRA Revolutionary Council]

[Text] Dear brother Babrak Karmal,

We offer our deepest gratitude at your message in which you expressed your concern at the massacre of (?our) people at the hands of the Israeli aggressors and their imperialist supporters, particularly the U.S. imperialists.

This bloody war in Lebanon has been going on for over 40 days now. I completely agree with you that the Israeli aggressors acted with the support of the United States of America. This action is a complete violation of international regulations and the accepted principles of the United Nations. I agree with your view that the Israeli aggression is aimed at eliminating the PLO and the Lebanese patriotic movements and is trying to disrupt Arab unity and, by (?disuniting) the Arab countries, to bring the Middle East countries under the U.S. sway each in turn. [words indistinct]

The Israeli aggression is continuing. The Israeli military forces have occupied a vast area in Lebanon. They besieged Beirut and deprived its inhabitants, who number over 700,000, of their daily necessities. The Israeli aggressor forces have so far destroyed three big cities of [words indistinct] and more than [word indistinct] of Lebanon, 14 camps of the Palestinian fighters and over 1 million people have become homeless. Over 30,000 people have been either injured or killed, and those over 15 years of age are imprisoned. The Israeli aggressors continue imprisoning the broad masses in the southern regions of Lebanon. Numerous camps for the torture of the persecuted people have been (?set up) and thousands of prisoners are being tortured in them. The Israeli aggressors carry out merciless operations against our people in occupied Palestinian territory. Israeli aggressors imprison our innocent people who voice their objections against these inhuman measures, and imprison the young sons of our people in the occupied Palestinian territory. (?All) these actions are approved by the United States.

However, heroic resistance is being displayed against all these sinister plans by the joint forces of Palestine and Lebanon. All the people of the world and all peace-loving countries resist these sinister plans. We believe our struggle is the struggle of all people. This struggle of ours will inevitably become victorious.

Once again, I thank you for your solidarity message and wish you health and prosperity and progress and prosperity for the fraternal Afghan people.

CSO: 4400/389

FATAH MEMBERS TRAINED IN 10 COUNTRIES

TA230830 Jerusalem THE JERUSALEM POST in English 23 Jul 82 p 3

[Report by Joshua Brilliant]

[Text] Ten communists, Far Eastern and Arab armies have given or undertook to give advanced military training to some 170 Fatah men, the Israel defence spokesman reported yesterday.

Citing documents captured in Lebanon, he said that 22 terrorists attended tank and missile courses in Hungary. East Germany offered to train 19 Palestinians, including 10 Fatah men, at its military college.

Bulgaria was ready to accept 10 men at courses for staff officers, battalion and battery commanders and engineering crops noncommissioned officers, but the documents show that only one man was sent to a staff-officers' course.

Two Fatah men attended an engineering course in China, although Beijing apparently authorized training for 19 more.

One man attended a 45-day antiaircraft course in Vietnam.

Elsewhere in the Far East, India offered four courses for some 30 men. The documents released by the IDF spokesman do not show how many people actually attended those courses.

Pakistan trained two men as tank company commanders and a third as an infantry company commander also offered courses in naval engineering and artillery and antitank weapons, but there are no indications whetehre anyone attended them.

In the Arab world, Palestinian terrorists underwent training in Algeria, Yemen and South Yemen. In addition, the captured documents show that three men were trained--apparently by the Lebanese Army--in the use of 100-millimetre anti-aircraft guns and three to be company commanders.

CSO: 4400/389

BUDAPEST DAILY INTERVIEWS YASIR 'ARAFAT IN BEIRUT

AU271027 Budapest MAGYAR HIRLAP in Hungarian 25 Jul 82 pp 1, 2

[Viktor Palfi article: "'Arafat Interviews for MAGYAR HIRLAP; Steadfastness in Beirut Will Decide the Future of our People"']

[Text] Our special correspondent's telex report from Beirut, Renewed Israeli air attacks were leveled against the Lebanese capital, which has settled down to the siege by now, Saturday afternoon, while the invaders and Palestinian defenders fought an artillery duel Friday night and early Saturday morning. With unprecedented cynicism, Tel Aviv "justified" this bloody provocation, which has claimed 250 victims and wounded people on the Palestinian-Lebanese side, by stating that it was intended as a warning to the Palestinians not to dare to violate the cease-fire!

However, the situation has now developed so that the Palestinians, who are faced with a superior force, have no interest whatsoever in doing so. Altogether they are thoroughly prepared for a general Israeli attack, which would mean heavy losses not only to them and the 600,000 civilians living alongside them, but to the aggressor as well. They have so far succeeded in evading a test of military strength and shifted the struggle onto a diplomatic level. And, commensurate with the passing of time, Israel's position is becoming more and more precarious on this level, and that is why it is striving to improve its position through doses of military pressure.

The head of the PLO, Yasir 'Arafat, deserves great credit for the fact that, despite the wounds caused by the war and the constantly present peril of death, not only is there no mood of panic or low spirits in west Beirut, but self-confidence and hope are the characteristic features, particularly among the Palestinian fighters. In two decades, the grandson of the chief mufti of Jerusalem who has espoused the cause of an independent Arab Palestinian state, having become tempered in emigration, prisons, wars and political struggles, has not only turned into a Palestinian, but into an all-Arab popular tribune and mature politician.

These days, it is not easy to come close to 'Arafat because he is constantly moving. He visits every important combat post and Palestinian institution

daily. He gathers information and informs people directly and--what is at least as important--he keeps the faith of people alive through his personal presence. It is said that, apart from him, himself, no one knows his daily schedule in advance. He never stays more than an hour at any given place and sleeps in a different place every night. Still, who would blame someone who has survived 30 attempts on his life for that?

With the kind assistance of two Palestinian colleagues, having "pursued" him the whole day, I managed to reach him at one of his combat command posts Friday evening. He was right in the middle of a conference, but with the rights of an old acquaintance, I fought my way through to him and whispered to him a request to briefly answer three of my questions.

"So be it," he replied, smiling, and interrupted the conference with a wave of his hand.

[Question] I know that optimism is a feature of your true nature. However, I do not quite understand--and this is borne out by the pictures of you published in the world press and your statements--how it has remained undiminished even in the past weeks. Well, is there a realistic basis for this optimism, which radiates self-confidence, or is it rather a question of the commander wanting to raise fighting morale through it?

[Answer] It is possible that my optimism favorably affects fighting morale, but then the two are closely interlinked. The point is that the realistic basis of my optimism is precisely the excellent fighting morale that is being displayed by our people and soldiers amid the aggression and occupation of the U.S.-supported Israeli military junta. Our people's heroic resistance--for you can see, to be sure, that there is no trace of panic or fluster here--in Beirut and behind the enemy, in occupied southern Lebanon as well--well, that is what gives me strength and fills me with confidence, which I only reflect back. Another source of my optimism is that I know that there is now an important battle underway here, but more important than its outcome is that we stand our ground, because it is not the former, but the latter that will decide the future of our people.

[Question] The fact that the entire general staff of the PLO has not left the city and its army, although it surely could have done so, has elicited great recognition and esteem throughout the world. Has it been argued that it might be more useful from the viewpoint of the future of the resistance movement for the leadership to rescue itself for future purposes?

[Answer] There has not been even the idea of such a dispute, nor could there have been because we are waging a freedom fight and my slogan, as a leader, consists of one word: "Follow me!" I have often said that and would never be able to disavow it.

[Question] Are you proud of your fighters and their steadfastness and what do you expect from the future?

[Answer] Naturally, I am proud of them. I know that we do not represent a great and decisive military force. However, we do represent one that is capable of fighting to the end and, if necessary, dying--but for victory. And that is also the guarantee of our future.

[Question] What is your appraisal of....

"We have agreed on three questions," 'Arafat smilingly interrupts me. He holds out his hand, then, ending the conference shortly afterwards, departs, together with his escort, for who knows what point in the blacked-out city. The "combined great orchestra" taking part in the artillery duel that begin provides the musical accompaniment to his departure.

Beirut, 24 July 1982.

CSO: 4400/389

INTER-ARAB AFFAIRS

FATAH'S KHALAF INTERVIEW ON LEBANON CRISIS

NC251627 Athens EXORMISI in Greek 25 Jul 82 pp 9, 11

["Text" of interview granted by Fatah Central Committee member Salah Khalaf, identified by his nom de guerre Abu Iyad, to EXORMISI; date and place of interview not given]

[Text] Question: You have asked that the Israeli troops withdraw to a distance of 5km from B'abda, and you have agreed that the Palestinians should retreat to their camps on the outskirts of Beirut and that west Beirut should be demilitarized. Is this the PLO stance?

Abu Iyad: We have asked for the withdrawal of the Israeli forces in order to permit the emplacement of international forces with the participation of the Lebanese army. However, this should be done without the Israelis benefitting from the cease-fire by reinforcing their positions. Then talks will follow between us and the Lebanese. What the Americans and Israelis will ask from the Government of Lebanon is of no concern to us, because we are not talking with the Israelis or the Americans.

Question: And yet you have asked for talks with the Americans.

Abu Iyad: Yes, but under different conditions. Today U.S. envoy Habib is not a politician; he is a military man, a general. With a telephone call he enforces a cease-fire; with a telephone call he orders resumption of fire.

Question: Is it your belief that in the end, the battle for west Beirut will take place?

Abu Iyad: We are preparing ourselves for the prospect that it will take place. If it does not take place, things will be easier for us.

Question: If the Palestinians withdraw to their camps to the south of Palestine [as published], would this prevent the Israeli Army from attacking there?

Abu Iyad: We have stated to the Government of Lebanon that we are ready to face the Israelis not only in Beirut but also in the refugee camps. The state of Lebanon cannot have talks with us unless the Israelis withdraw a reasonable distance. Then we will discuss the nature of the Palestinian presence in Lebanon.

Question: Do you think of leaving Lebanon some day?

Abu Iyad: But where would we go? The only country to which we agree to go is Palestine.

Question: If this is your stance and the Government of Lebanon wants the Palestinians to leave, then the situation will become worse and there may be war.

Abu Iyad: The weapons which are in our hands will give the answer. There are forces in Lebanon that do not want us to leave the country.

Question: Who are supporting the Palestinians today: the Lebanese, Syria, the Arabs, the Soviet Union or no one?

Abu Iyad: I can talk to you about the patriotic forces here in Lebanon that support us. Whatever comes from outside, from Syria or the Soviet Union, is something additional. What is important is what there is here, on Lebanese territory.

Question: From the statements of some PLO leaders, one gets the impression that you have not been supported as much as you should have been.

Abu Iyad: It is difficult for one to understand the Soviet position. As for the Syrians, they are divided. Some of them are in Lebanon and are struggling with us; their number is significant. As for the Syrian Government, I do not agree with its attitude, although I understand it.

Question: You said it is not only an Israeli invasion but also a U.S. invasion. Europe has also displayed a reserved attitude. Could it be that the impression which has been formed is that the invasion has taken place in order to crush "a nest of international terrorism"?

Abu Iyad: This is Israeli propaganda, which wants to portray the PLO as a nest of international terrorism. However, it is a fact that Europe as a whole—with the exception of Greece and recently of France—has adopted an attitude which we condemn. However, there is a different European position, particularly if one thinks of what has happened with the war over the Falkland Islands, which nearly led to an international conflict. It seems that our blood is not valued very much either by the Americans or the Europeans. We were expecting the Europeans, who have lived under nazism and fascism, to clarify their position better. The cities of Lebanon were destroyed by the Israelis just as the cities of Europe were destroyed by Hitler.

Question: What is your attitude toward the Lebanese?

Abu Iyad: We have never wanted to become a state within a state. We may have made some mistakes. We are not going to stay in Lebanon forever. I want to go to my home, even tomorrow. We want a Palestinian state. If we secure a Palestinian state, we will immediately leave Lebanon. This state must be established on the land of Palestine.

In answer to our claim, we see our people being massacred by fascism. If we examine all the Arab-Israeli wars, we will immediately understand that the Arabs have not resisted as we are resisting now. The Arab states do not have a clear political position. However, the blood that we have shed will awaken every Arab nation, and those who have made agreements with the enemy will be called to pay for the consequences. We may have become martyrs, but our cause remains alive; another generation will take over the torch, and when I am saying this I am not making poetry.

We have faced a dishonest war, a war for the extermination of people. The Israelis wanted to exterminate everything Palestinian.

CSO: 4400/389

PFLP-GC'S TALAL NAJI PRAISES SYRIAN SUPPORT

JN060702 Damascus Domestic Service in Arabic 0415 GMT 26 Jul 82

[Text] Beirut--Talal Naji, member of the PLO Executive Committee and assistant general of the PFLP-General Command, has declared that Syria has fought and is still fighting courageously in defense of the nation's honor and dignity and in protection of the Palestinian revolution. He said: The Syrian soldiers' bravery was recognized by the Zionist enemy itself. They have fought and are still fighting heroically in Al-Biqa', Jabal Luban and Beirut alongside the Palestinian revolution and the Lebanese nationalist forces.

Talal Naji said that Syria has decided to fight alongside the fighters of the joint forces in defense of Lebanon and the Palestinian revolution until victory or martyrdom. Our Palestinian people, he added, will not forget this stand which truly expresses the commitment of Syria, under Al-Asad, to defend the Palestinian revolution and the Palestinian and Lebanese peoples.

Talal Naji added: We have resisted the savage enemy, thanks to the splendid common struggle by the Lebanese nationalist forces, the Palestinian revolution and Syria. One of the Zionist aggression's aims was to make us despair of Arab and international efforts.

Talal Naji explained that the recent Zionist military escalation and tightening of the siege in Beirut serves as fresh proof of the barbarism of the Zionist enemy, which is committing atrocious crimes daily against innocent people. He stressed that the Zionist enemy is currently in a dilemma. Although its siege of Beirut is more than 40 days old and its aggression on Lebanon was more than 50 days ago, the Zionist enemy has not been able to achieve its dream of liquidating the Palestine question. On the contrary, it has increased the determination of the Palestinian fighters and the Lebanese nationalist forces to continue to fight.

Talal Naji condemned the Egyptian regime and stressed the Palestinian revolution's firm attitude toward this regime. He said that, were it not for the deviation of the Egyptian regime in signing the Camp David accords, the Zionist aggression on Lebanon and the Palestinian revolution would not have taken place.

Regarding the Arab stand on the Zionist invasion, Talal Naji said: Although the steadfastness and confrontation front could not meet, we cannot deny the efforts exerted by some members of this front in defending Lebanon and the Palestinian revolution.

CSO: 4400/389

INTER-ARAB AFFAIRS

HUNGARIAN PAPER INTERVIEWS 'ARAFAT ON BEIRUT STAND

LD261144 Budapest MTI in English 1053 GMT 26 Jul 82

[Text] Budapest, 26 Jul (MTI)--Yasir 'Arafat, leader of the Palestine Liberation Organization, gave a statement to the special correspondent of **MAGYAR HIRLAP** in west Beirut, which is carried in the paper's Sunday issue in an article entitled "The Future of our People Will Be Decided by the Stand in Beirut."

The Palestinian politician said, among other things, the following:

"It is possible that my optimism has a favourable effect on battle morale, but then there is a close connection between these two as the realistic basis of my optimism is exactly the high battle morale which our people and soldiers show against the aggression and occupation of the Israeli military junta supported by the United States. The heroic resistance of our people in Beirut and behind the back of the enemy, in occupied south Lebanon too, well, this gives me strength and fills me with confidence, which I only reflect back. The other source of my optimism is that I know: An important battle is going on here, but our sticking to our posts is even more important than the battle's outcome. Because not the former, but the latter decides the future of our people."

In reply to the question: Was there a debate about whether it would be more useful from the point of view of the future of the resistance movement for the PLO leadership to leave Beirut and save itself, Yasir 'Arafat said:

"Not even the thought of such a debate arose. Such a debate could not be held as we carry on a freedom fight and my slogan as leader consists of only this, 'follow me.' I have emphasized this many times, and would never be capable of rejecting it.

Are you proud of your fighters and their resistance so far, and what do you expect from the future?--was the last question asked by **MAGYAR HIRLAP**.

"Naturally, I am proud of them. I know they do not represent a great penetrating military force. But they do represent one which is ready to fight until the end, and if need be it is ready to die--for victory. And this is at the same time the guarantee of our future", said Yasir 'Arafat in conclusion.

CSO: 4400/389

## INTER-ARAB AFFAIRS

### BRIEFS

**PLO CALL FOR MUTUAL RECOGNITION**--PLO Paris representative 'Isam al-Sartawi has said that his call for mutual recognition between the PLO and Israel and for a dialogue between them was made with the approval of the PLO's center in Beirut. In a telephone conversation with Mapam Knesset member Muhammad Watad, al-Sartawi noted that his declaration was not followed by PLO denials even though it was widely publicized in newspapers in Beirut and the West. [Text] [TA180439 Jerusalem Domestic Service in Hebrew 0405 GMT 18 Jul 82]

**RED BRIGADE MEMBERS CAPTURED**--[Report by Jerusalem Radio military correspondent 'Ezra Bino]--The IDF has arrested a number of Italian terrorists who are members of the Italian terrorist organization the Red Brigades. Members of this organization were the only European terrorists arrested in the terrorist bases in south Lebanon. In fact, the IDF arrested terrorists of various nationalities while combing areas in southern Lebanon. With the exception of these Italian terrorists, all others were mercenaries. The Italian terrorists came to Lebanon to be trained in all kinds of terrorist operation. [Excerpt] [JN211923 Jerusalem in Arabic to the Arab World 1545 GMT 21 Jul 82]

**DISEASES AMONG PALESTINIAN PRISONERS**--Information available to the Palestinian Red Crescent Society affirms that skin and contagious diseases have begun to spread among the Lebanese and Palestinian citizens who are being held as prisoners in the concentration camps that the enemy has established in southern Lebanon. The society has explained that the enemy forces refuse to extend any medical aid to the imprisoned citizens, who are suffering from a great shortage of water and foodstuff, as part of the psychological warfare tactics of bestial torture being practiced against the prisoners. The society has emphasized that this measure flagrantly conflicts with the Geneva covenants and constitutes a premeditated violation of international agreements. [Text] [NC260541 (Clandestine) Voice of Palestine in Arabic 1845 GMT 25 Jul 82]

CSO: 4400/389

## PERSIAN GULF AREA

### BRIEFS

DUBAI, OMAN JOINT VENTURE—Dubai and the Sultanate of Oman are to consolidate their economic links further. A joint coordination committee of the Dubai and Oman chambers of commerce and industry, which held a meeting yesterday in Dubai, agreed to intensify cooperation in a number of areas. It was resolved to appoint a committee to establish a joint company to carry out economic projects in Oman. Among the projects which were discussed and later left to the committee for follow-up action, are an integral project for iron and steel in Oman, another integral project for producing poultry and eggs in Oman, and an animal husbandry project in Oman. [Excerpt] [GF181230 Dubayy KHALEEJ TIMES in English 18 Jul 82 p 1 GF]

CSO: 4400/371

BRIEFS

GAS DRILLING AGREEMENT--An agreement to drill six (?natural) gas wells in the Bahrain field has been signed at the headquarters of the Bahrain National Oil Company (BANOCO) between BANOCO and the Kuwaiti Company Santa Fe. Drilling operations are expected to start in late August. [GF141914 Manama AKHBAR AL-KHALIJ in Arabic 14 Jul 82 p 1 GP]

CSO: 4400/371

## INTERIOR MINISTER DISCUSSES ROLE, PROGRAMS

Cairo AL-AKHBAR in Arabic 1 Jul 82 p 4

[Interview with Minister of the Interior Hasan Abu Basha by AL-AKHBAR: "The Minister of the Interior's Task Is To Spread Confidence and Optimism Among the People"; date and place not specified]

[Text] "Will you be quiet or should I call the police?"

That is a sentence with which adults used to scare children when we were small. In the forties policemen were feared and when they cleared their throat in the evening as they went about on their rounds in the street, as was the custom, we would have a sense of fear [words illegible]. Thus an obscure [word missing] of "the cop" found root in the heart of [words missing]. So what would one say of the head of all the police, the minister of the interior?

These thoughts went around in my mind as I was sitting right before Hasan Abu Basha, the interior minister of the Arab Republic of Egypt. The first question concerned security, order, orderliness, prosecution of the law and the prosecution of criminals and people violating everything that was based on law.

The Minister of the Interior — and Fear!

I started the conversation with the minister of interior with an attempt to dispel the specters of old fears. I asked the minister, "In your opinion, is a successful interior minister a man who inspires fear or confidence?"

The stern features of the interior minister relaxed and he told me calmly, "Of course he is the one who inspires confidence. In my opinion, one sign of the failure of a minister of the interior is the fact that he inspires fear, because the minister of interior's prime task is to cause the country to enjoy tranquility and stability, which are feelings that must be accompanied by confidence and trust. If an interior minister can spread a spirit of trust and optimism among people, he will have performed half of his duty. There must be a relationship of mutual trust and love between the people and the minister of the interior."

I stated, starting to feel confidence in the good features on the strong face which made it seem as if the person who owned it had been made to be a police chief, "But don't you consider that the minister of the interior has to hold the stick by the middle, that is, make people love him and fear him at the same time, just like a stern father or teacher, lest some people treat authority with contempt?"

The minister replied, "The comparison between an interior minister and a stern father or teacher is not apt, because the interior minister is not in a position of guardianship over people the way a teacher or father is. Rather, he is in a position where he performs a service for people and it is part of his basic duty to make people trust him and his measures, decrees and positions. However, this does not prevent him from taking a decisive stand in coping with violations of legitimate authority which harm the people and damage stability; as long as the minister of the interior is concerned with the basic goal, which is security, the people will urge him to take decisive stands in confronting crime and lawlessness."

I asked, "In your opinion, why do people choose policemen in particular to scare children, like ghouls or monsters?"

The minister answered with a smile, "This notion is connected to the era of colonialism when the people would scare their children with British constables or authorities in general. Policemen in the era of independence are Egyptian citizens and they are the instrument of the authority that the people see fit to have carry out the law, so that we can ward off the society of the jungle and live in a civilized society; the sovereignty of the law means the sovereignty of the people, and the people who have rights receive them while those who have obligations perform those. When the people respect policemen they are respecting them not because of their person or innate character, they are respecting what they symbolize; they are respecting the law. Conversely, policemen must be above caprice, be serious in their conduct and perform their work uprightly and humanely."

#### Crime Is under Control

I asked, "Don't you consider that this latter point is lost on some policemen who deal with a great deal of 'heavyhandedness' and harshness?"

He said, "It is conceivable that there should be some policemen who act in a wrongful framework, but that is not the standard — it is the exception. This is because if we look at the general context of the police as an integrated agency, we will find that it brings the people security, and security is certainly the goal we are striving and moving toward. In fact, the overall results of police activity in Egyptian society are that our society, thanks be to God, is secure. I am not talking about exceptional times, such as 6 October, for instance, but rather at most times we find that crime in our midst is under control and that, without a doubt, is a result of the policemen's efforts. When someone from the police acts in an unsound manner, or abuses a citizen, that means nothing more than that the police sector is a group of Egyptian society and it has all the illnesses of that society. However, because the police are the letter of the law, we are trying to confine violation of the proper image to the narrowest scope and we eject people who deviate from the proper context, and therefore say that they are an exception."

#### There Is a Foreign Element behind the Incidents of Violence

I asked the minister of the interior, "Do you have any explanations for the phenomenon of violence which has recently arisen in Egyptian society?"

He said with the utmost seriousness, "It is an unfortunate phenomenon because it touches the conscience of every society, and the destruction of all values and all progress

arise from it. It is a phenomenon which has come to us recently from abroad and has infiltrated under a religious guise, causing it to attract some young people who have misunderstood religion. The proof that it is an imported phenomenon is the fact that the thinking and planning for some incidents of violence, such as the Military Technical [College] episode and the Holy War incident, came from foreign, non-Egyptian elements. Egyptians, by their nature and their family and social ties, hate all kinds of violence, and there is no doubt that a country like Egypt needs tranquility and stability most of all in order to solve its many problems, including religious ones. However, if violence prevails and everyone imagines that his ideas are the right ones and that he has the right to kill and plunder, we will turn into a society of the jungle, and that will never happen."

I said, "There is a clear connection between the phenomenon of violence and the religious vacuum among young people. Who in your opinion is responsible for filling this vacuum?"

He stated, "It is clear that religious guidance has not been proceeding along the proper course for a long period, and here is where what we call the religious vacuum has arisen, causing some young people to become implicated in extremist societies and giving some people with ulterior motives and tendentious political aspirations and affiliations a chance to serve their goals. What is required now is for us to review the system of religious guidance at all levels, in the home, at school, in the mosque, in the media — all these bodies must realize that there is a danger looming over our children and if we become aware of this danger we will be protecting our whole society."

I asked the minister of the interior, "From your long-standing experience in dealing with crime and criminals, do you believe in the theory of the criminologist Lambroso, who states that a group of people are born criminals by inheritance?"

The minister said, "This theory cannot be sound. Rather, the environment and circumstances that surround people and place them under specific conditions are what can cause them to deviate and push them toward crime. Moreover, this theory is in conflict with religion. If it is the person's nature and organic makeup that push him toward crime, where does his fault lie? What can he be held accountable for? God has given us a mind so that we might make a distinction between good and evil — indeed, people, through their minds, can, if they become implicated at some point, return to the straight path if the proper remedy exists."

#### Crime in Egypt Has Declined

I asked, "Are there statistics showing that the percentage of people violating the law has actually [illegible]?"

He stated, "The statistics are not at my disposal now, but it is well known that the population of Egypt has doubled in the past 25 years. What I can emphasize is that crime has not doubled. Rather, in many cases, it has declined."

I asked, "What are the crimes that have declined the most in our society?"

He stated, "Crimes of vengeance. These have declined by 50 percent."

I asked, "What are the crimes whose rates have increased?"

He said, "Traffic violations and offenses and crimes of automobile theft."

I stated, "There is an odd phenomenon that causes people discomfort, especially mothers, and this is the phenomenon of the disappearance of young people, whom we read about and whose pictures we see in the papers every day. Where do these young people go? Are there gangs kidnapping these boys and girls?"

The minister stated, "Not at all. This is not a criminal phenomenon but rather a social one. Its causes is the breakdown of the family. Missing boys and girls escape from their families but soon return. I recently investigated 50 random cases of disappearances with the director of general security, and it became evident that they all returned to their families except for seven cases where it was apparent that the reason for the absence was the desire to get married."

The old image of the "cop" that had been looming over me began to be shaken in my imagination, and its place was taken by a feeling of reassurance, which Minister Hasan Abu Basha inspired by his calm voice, his extreme simplicity and his modest conduct.

#### The Private Life of Policemen

I told the minister of the interior, "Every occupation leaves its stamp on the person who pursues it. Has the occupation of the police work left its marks on your private life? Does home, when you enter it, for instance, turn into a place where different forms of control, investigations and interrogations are pursued?"

The minister laughed a little, then said, "To the contrary. I am a very ordinary person at home and I have accustomed my children since they were young to talk with me and defend their points of view. Ultimately it is logic or truth which prevails."

I asked, "What about your small grandchildren? Do they continue to play, for instance, when you come home, or do they stop and fall silent?"

He stated, smiling, "In fact, the noise they make increases. However, their games have undoubtedly been affected by my work. My grandson, for instance, always plays a game of cops and robbers. He is always anxious to have the cop win. He calls them the police, follows the crime serials on television and always asks me about everything going on in them with interest."

I said, "Aren't you afraid of the effect watching serials of violence will have on him?"

He said, "No, he always sympathizes with the good side, with the police and with the law. I personally like to watch exciting police serials and movies. I enjoy watching policemen uncovering obscure points in crimes."

I asked, "Does this mean that you consistently watch television programs?"

He said, "I did before I became minister. Now I go home at 0100 or 0200 hours in the morning, but when I had free time I would follow some programs I liked."

I asked, "Such as?"

He said, "Such as panel discussions and old Arabic movies."

I asked, "Do you like a particular actor?"

He said, "Najib al-Rihani. It may surprise you that I am one of the greatest admirers of the late 'Abd-al-Salam al-Nabulusi. At his mere appearance in front of me on the set, I would break out laughing. He is a model of the 'heavy-handed,' overblown person. He was very nice, just like the British actor Clifton Webb."

A Devotee of Umm Kalthum

I said, "Aside from television, what else do you do in your free time?"

He said, "I like to read books on economics, politics and law. I went to the faculty of law when I was a colonel and received a bachelor's degree."

I asked, "What about detective stories, like Agatha Christie? Don't you read those?"

He said, "No, I just saw some Agatha Christie movies at the theater."

I asked, "What writers do you read?"

He stated, "I like al-'Aqqad, Tawfiq al-Hakim, and Najib Mahfuz; the literary figure Najib Mahfuz presents superb social and political analysis in his works, and this is what draws me to his writing."

I asked, "What does the minister of the interior listen to?"

He stated, "I am a devotee of the Arabic Music Group. Its songs overwhelm me. I like to listen to the new recordings of songs of Sayyid Darwish and Dawud Husni. As for Umm Kalthum, I am one of her slavish devotees. Her voice saddens me and makes me cry."

I asked, "Does that mean that you sometimes cry?"

He said, "Yes, when I am sad. That makes us realize that a policeman is a human being before all else. He is happy and he is sad. He can be sensitive."

I asked, "What sorrowful things make you cry?"

He said, "Catastrophes."

I asked, "National ones?"

He said, "Personal ones as well."

I asked, "What is the greatest personal catastrophe that happened in your life?"

He stated, "The death of my wife 10 years ago as a result of being given an improper injection. This catastrophe had an effect on my emotions for many years. People receive sudden blows from fate and reel under them, but they must ultimately triumph over grief."

I asked, "Have you personally faced death?"

He said, "In my job I have faced many situations in which I could have died."

I asked, "What were your feelings as you faced death?"

He said, "In the face of danger, people do not think; they are in a heedless state. And there is always hope of salvation."

I asked, "Are you afraid of death?"

He said, "No."

The conversation had brought us to a sad turn, and in an effort to shift it I inquired, "If we wanted to describe 24 hours in the life of the minister of the interior, what would we say?"

He declared, "We would say that the minister of the interior is in a state of permanent activity, there are continuous meetings and there are interminable security visits. Then at the end of the evening he goes home to sleep."

I asked, "Can the top person in charge of security descend into a deep sleep?"

He said, "As a matter of fact, I often cannot sleep. My mind is always preoccupied. There is always something preoccupying me. Our lord 'Umar ibn al-Khattab's statement that if he came upon a she-camel in the land of Iraq he would feel that he was responsible for it, often goes through my mind. This statement is an expression of a deep feeling of responsibility. That is the essence of our religion — people should work seriously and bear responsibility."

I asked, "What about your vacations? How do you spend those?"

He stated, "I visit my children. Sometimes we all go to the Gezira Club. I have one son, who is an engineer, and two married daughters, and I live with my son, his wife and my grandson."

I asked, "Does your son's wife consider you a good 'father-in-law?'"

He laughed and stated, "I don't know, but my son accuses me of being jealous of his wife, and my two daughters accuse me of being jealous of their husbands. I love my children very much."

I asked, "Is the accusation valid?"

He laughed and said, "Not at all. The fact is that I consider my daughter in law and my two son in law just like my own children."

I asked, "If an argument broke out between your son and his wife, who would you side with?"

He said, "I would advise my daughter in law to take my late wife as an example. She provided me with a calm atmosphere and kept all bad news from me. She was the model of the understanding wife who pushes her husband forward and, although 10 years have passed since her death, I go to her grave at every successful step in my life. I visit her and read the first sura of the Koran over her."

In order to move the conversation once again from the direction it had assumed, I inquired, "If you find yourself alone in the house, can you make yourself a cup of coffee?"

He said, "I am a failure at everything that is connected with cooking."

I noted, "Many police officers are good at cooking, because they are forced to live away from their families for periods of time."

He stated, "In my opinion, a picture of a man in a kitchen is tantamount to dissonance. I have not even made a cup of tea for myself in my life."

I asked, "What is your opinion then on women's working outside the house?"

He said, "You won't like my opinion. I consider that women's place is in the home."

I asked, "What if the conditions of life don't allow that?"

He stated, "Let them work. The matter is in God's hands."

I asked the minister of the interior, "Did you ever imagine that you would become an interior minister?"

He said, "Not at all. It was more reasonable that I imagined myself, in my youth, sitting in a village head's chair."

I asked, "Why?"

He said, "Because my father was a village chief."

I asked, "Do you believe that luck plays a role in people's lives?"

He stated, "What we consider luck is part of the structure of life. God has ordered the flow of life in such a way that ultimately only what is proper comes about. It is possible that error, or sometimes luck, will prevail, but a building constructed on sand must be shaken and must collapse. Only a sound foundation can remain."

I asked the minister of the interior, "What wisdom have you derived from your work in the police?"

He said, "A perfect crime is an impossibility. A criminal has to leave a gap behind him through which policemen, if they are perspicacious, can get to him."

I asked, "What philosophy have you acquired from life?"

He stated, "Time is the greatest embezzler in the world. It steals away a man's life without his realizing it. Therefore I very much like the words of Nazzar Qabbani in a qasidah on a woman reading coffee dregs, when he says that man will discover too late that he has been chasing a wisp of smoke, and that people continue to run, to rush, then in the end it becomes apparent that all of life was nothing more than a wisp of smoke, and nothing remains but good works; nothing remains except what man has offered in order to serve man."

Can you see whether I have managed to present you with a picture of some of the features of the minister of the interior, the human being, a picture of a civilized policeman whom no one can use to scare children — or adults?

NEW TOURIST FACILITIES PROVIDED THROUGHOUT NATION

Cairo AL-AKHBAR in Arabic 30 June 82 p 6

[Article by Bahijah Najati: "The Minister of Tourism: Egypt Is Divided into Six Tourist Areas; Construction of Four New International Airports in the 5-Year Plan"]

[Text] Egypt, in terms of tourist activity, has been divided into six areas, an official has been appointed for each, and a decree has been issued appointing these officials. The six areas are the Delta, Greater Cairo, Upper Egypt, the Oases, the Red Sea and the Sinai region. He said that the domestic aviation plan is progressing alongside the tourist development, since planning is underway to establish four new international airports, in Luxor, the Red Sea, the Mediterranean (al-'Amiriyah) and Sinai.

'Adil Tahir, the minister of tourism and aviation, declared this at his meeting yesterday with 25 Italian media, press and television figures who are now visiting Egypt on invitation by the Italian National Tourist Company.

The minister talked about the strong bonds linking the people of the two countries and the features of Egyptian civilization, which require more than a month to visit. He talked about the 5-year tourist plan, to which Italy could contribute.

He then talked about various areas for stimulating tourist activity and said that Egypt had all kinds of tourist activity that a Scandinavian country had chosen Egypt as the first country in the Mediterranean basin for medical treatment tourism, and that God had granted Egypt a natural environment that could accommodate people of both sexes and all ages.

He said that the Ministry of Tourism is seeking to raise Egypt's tourist income to \$1 billion and that the number of beds will increase by 10,000.

11887

CSO: 4504/389

## NILE AUTHORITY SEEKS NEW WATER SOURCES IN SUDAN

Cairo AL-AHRAM in Arabic 28 Jun 82 p 8

[Article by 'Adil Shafiq: "The Nile Water Technical Authority Seeks To Increase Nile Resources for Agricultural Expansion"]

[Text] Yesterday, after inaugurating the meetings of the permanent Nile Water Technical Authority which consists of Egypt and the Sudan, Eng 'Abd-al-Hadi Samahah, the minister of irrigation, reviewed research and studies on the schedule of projects to increase the Nile River's input from the Bahr al-Ghazal, al-Subat and Mishar basins.

The minister also investigated the possibilities of developing the authority and amending its bills to conform to international changes in the field of river water use and the recommendation on establishment of the Nile Basin Authority, which will include the nine countries of the Nile. The people at the meeting discussed the coordination of Egyptian-Sudanese efforts to get in touch with the ministers involved in these countries to form this authority.

Eng Muhammad Amin Muhammadayn, head of the Egyptian party, stated that the authority is investigating the status of projects to reduce water loss that are now being carried out in accordance with plans and programs derived from the agreement on full Nile water use.

That will result in the development of water resources to carry out agricultural expansion projects. He went on to say, "As far as the Jonglei Canal project goes, 336 million cubic meters have been excavated and contacts are being made to make use of the expertise and experience of a number of countries in this field, especially Egypt and the European Common Market countries."

11887

CSO: 4504/389

## IRAN

### CABINET CHANGES DISCUSSED IN COUNCIL OF MINISTERS

Tehran KEYHAN in Persian 19 Jul 82 p 2

[Text] KEYHAN Political Service--A meeting of the Council of Ministers of the Islamic Republic of Iran was held yesterday afternoon chaired by Minister of the Interior Hojjat ol-Eslam Nateq-Nuri. At this meeting, the latest events concerning Iran and the world were studied, and views were exchanged.

At the end of the meeting yesterday, Ahmad Tavakkoli, a government spokesman--in a conversation with a reporter of the Central News Unit, while speaking on the problems considered at the meeting--denied the rumor of extensive changes in the cabinet and stated: "Just as the prime minister said, these changes do not involve more than three or four ministers, and the changes are being made at the request and with the expressed desire of the ministers involved." The government spokesman added: "At this meeting, the minister of defense presented a detailed report on the situation at the war fronts and the condition of the fighting men. Then the minister of foreign affairs reported some news from the war area to the Council of Ministers." Tavakkoli also added: "Further, a bill was submitted by the Ministry of Health regarding medical graduates serving outside Tehran or outside of cities with universities, so that if the doctors report to the proper authorities [there] later than the graduation time, then the same [late] term will be added to their period of service in the location of assignment. If this bill is passed by the Majlis, it will be ratified in the Council of Ministers."

He also added: "At this meeting, the Council of Ministers authorized the sum of two billion rials to be made available as a revolving fund from the Bank of Agriculture for the Rural Service Centers of the Country to provide fertilizers, seed, and pesticides for farmers."

CSO: 4640/411

ANTIREGIME GROUP URGES POPULAR WAR IN IRAQ

GF141935 Tehran International Service in Arabic 1730 GMT 14 Jul 82

[Text of statement issued by Islamic Action Organization in Iraq on the occasion of the Ramadan operation]

[Text] In the name of God, the compassionate, the merciful. If you support the cause of God, He will support you and make your steps firm. [Koranic verse]

For more than 22 months the aggressor Ba'thist regime has been talking through its agent propaganda media about its ability to achieve one victory after another in a desperate and exposed attempt to cover up its shameful defeats on the battlefronts, particularly following the liberation of the strategic city of Khorramshahr and the retreat of its cowardly mercenaries to international borders while pulling behind it the tails of loss and disappointment. It seems this regime has not yet realized that the robe of lies is short no matter how long it lasts. It has continued to fabricate lies. Its latest fabrication was its claim that its mercenaries did not run to the borders but were ordered to retreat and that retreat is considered to be victory.

At the time when the Ba'thist regime rationalizes its defeat based on avoiding fighting and tactical retreat, it is clinging to every straw in order to rescue itself from drowning. It recently announced a unilateral cease-fire and pulled its mercenaries out of all Iranian territory under the pretext that Lebanese territory was being invaded by Zionist forces. On the other hand, it went so far as to beg an international force to deploy itself on the Iranian-Iraqi border in order to confirm the retreat of its mercenaries and supervise the cease-fire.

Finally, the United Nations, under pressure from the imperialist states and with the blessing of the reactionary regimes, has issued resolutions to this effect in order to get the Iraqi regime out of the bottleneck and save it from its certain black destiny. But will they be able to do so? The answer is on the southern battlefront where the victorious Islamic forces have launched a fierce and devastating attack, at the start of which they destroyed the mercenaries' first defense lines and inflicted heavy losses on them in personnel and equipment. The Islamic forces will march forward in order to crush their final entrenchments in the presidential palace.

This overwhelming victory places the Muslim Iraqi people before their legitimate duty and historic responsibility. They have to take the initiative and begin forming armed resistance cells to declare popular war and participate with the Islamic forces and vanguards of Islam in the process of bringing about the downfall of the aggressor Ba'thist regime and marching toward Jerusalem to rescue it from the claws of the usurping Zionist entity.

On this occasion, we extend to Imam Khomeyni and all Muslim and oppressed nations our warmest congratulations and sincerest blessings. We pray to Almighty God to make the liberation of the Muslim people in Iraq the start of the liberation of all the Muslim and oppressed nations from the hegemony of the imperialist states and the states of infidelity and arrogance.

And victory comes from God alone, the mighty and wise. [Koranic verse]

CSO: 4604/41

BAHRAIN LIBERATION FRONT MARKS JERUSALEM DAY

GF160716 Tehran International Service in Arabic 2000 GMT 15 Jul 82

[Text] The Islamic Front for the Liberation of Bahrain has issued a statement marking the International Day of Jerusalem. The statement said in part that the Muslim people in Bahrain and everywhere else seize this opportunity to declare once again their pledge of allegiance to the leader of the Islamic revolution and the hope of the oppressed, Imam Khomeyni, may he live long. On the fourth anniversary of Jerusalem Day, announced by the hope of the oppressed and the leader of Muslims, Imam Khomeyn, may he live long, the nation is experiencing a dire dilemma, calling on us to muster efforts to revive Islam and the Islamic government through benefiting from such a day which must urge Muslims to exercise their Islamic responsibilities, (?confront) the forces of international arrogance, and defend their rights usurped by the enemies of Islam, the tyrannical and (?hypocrite) regimes. This day comes while our Islamic nation is still suffering from the tyranny of tyrants and colonialists and the foster son of imperialism, Israel, which is carrying out aggression and brutal attacks against Lebanon, the independent Islamic country, and carrying out a genocidal operation against the Muslims of Southern Lebanon without any deterring force.

The front called on the Muslim people of Bahrain to mark the eve of the day of Jerusalem, falling tomorrow, by holding celebrations and demonstrations.

CSO: 4604/41

TEHRAN ARABIC ON RECOGNITION OF PALESTINIAN REVOLUTION

GF101932 Tehran International Service in Arabic 1800 GMT 10 Jul 82

[Unattributed commentary]

[Excerpts] The colonial circles have exploited the armed Zionist invasion in Lebanon to achieve the strategic goal of reducing the Palestinian role in the arena. The banishment of the Palestinian fighters from Lebanon and scattering them throughout the world is aimed at concluding the role that is being played by these fighters in the Palestinian arena and within the circle of political equations in the region. The colonialist, enemies of the Palestinian revolution, realize the importance of this accomplishment--if achieved--in the establishment of the Palestinian presence, which will not end at this point [sentence as heard].

The Zionist invasion in Lebanon is a single round in a serious series of aggressions. The bargaining on the fate of the Palestinian question which is taking place behind curtains today is another round in this conspiracy, which intensifies day by day as the usurping Zionist aggression continues and intensifies. One fact remains to be said and that is that the bargaining by the colonial and reactionary parties is nothing compared with the recognition that the Zionist enemy obtains.

The Palestinian revolution is not in need of Zionist recognition nor is it in need of French guarantees to obtain this recognition. The revolution is present in the conscience of the Palestinian people who live inside and outside the occupied territories. It is present in the souls of the aspiring Palestinian generation that is still fighting Zionist terrorism with stones and empty hands. The revolution is inherent in the will of the oppressed people who have found no other way to prove this will except by declaring their roaring revolution and flaming anger. Such a revolution does not require international recognition from this or that country.

CSO: 4604/41

**IRAN**

**BRIEFS**

**IRANIAN AMBASSADOR TO NIGERIA--Prime Minister Mir Hoseyn Musavi yesterday received Mohammad (Menhaj), the first Iranian ambassador to Nigeria. During the meeting, Musavi stressed the necessity of strengthening political and economic relations with the Muslim Nigerian people. [GF171443 Tehran International Service in Arabic 0400 GMT 17 Jul 82 GF]**

**CSO: 4604/41**

BAGHDAD COMMENTS ON RESTART OF WAR WITH IRAN

CN151342 Baghdad in Persian to Iran 0600 GMT 15 Jul 82

[Unattributed commentary]

[Excerpts] During the 3 years and some months since the inception of his abominable rule, Ruhollah Khomeyni has not only plunged Iran into destruction, but has also caused the deaths and vagrancy of thousands of Muslims in the region. It was in implementing the wrong policy of exporting the so-called Islamic Republic and intervention in the domestic affairs of Iran's neighboring countries that sparked off the flame of war between two fraternal and Muslim nations.

According to one of Khomeyni's former associates, who has now joined the ranks of Khomeyni's opponents, if a revolution is worth being exported and propagated, then it will spread by itself to other regions and there is no reason for using force and ploys to intend to export an unsuccessful revolution. This revolution has brought nothing but death, destruction, terror, economic and political poverty and retrogression for Iran and the Iranians.

The same officials of the Islamic Republic, who do not dare leave their houses and refuges--out of fear of the people--and ride in bullet-proof cars with dozens of bodyguards and know that they are not respected anywhere, have now opened their big mouths. At a time when the Muslims' number one enemy has destroyed Beirut and has drenched our Muslim brothers and sisters in blood, they have risen to fight against Iraq and Iraq's Muslim people to hide their incapacibilities and subversions and to threaten the lives and properties of the innocent people of the two countries who have no differences and who are victims of the pretentiousness of the bloodthirsty Khomeyni.

We all know that a nation and a world cannot be fooled any longer. The people are fed up with Khomeyni and if these people did not fear his criminal and bloodthirsty revolution guards, they would have ended his wretched existence a long time ago.

We have repeatedly said, and say again, that we do not covet Iranian territory. It was Khomeyni who, by interfering in our country's affairs, sparked off the war. We showed that we wanted peace and reconciliation and for this reason we withdrew our forces from all the Iranian territories.

It is Khomeyni who does not want the war to end, fearing that he may be questioned by the nation. He carries out a sudden attack on us in the auspicious month of Ramadan and at a time when we have declared a unilateral cease-fire and he tramples on the UN Security Council's resolutions. It should be said that logic and principles are two unknown things in Khomeyni's regime. He has used deceit and ploys to dominate the people and he now wants to remain in power by using the same methods.

We want the Iranian people and especially the Iranian armed forces to make it impossible for the traitorous Khomeyni to play any longer with Iranian principles and norms, with Iranians' lives, respect and dignity or impose the hireling revolution guards, ruffians and hooligans under the label of "soldiers of Islam" on them. If you, soldiers, do not rise against Khomeyni's despotism today and do not take the destiny of your tempest-stricken country into your own hands, then we should say with great regret that (?tomorrow will be too late).

CSO: 4400/384

## BAGHDAD ON KHOMEYNI'S 'ZIONIST PLOT' OF WAR

NC151531 Baghdad in Persian to Iran 0600 GMT 15 Jul 82

[Unattributed commentary]

[Excerpt] If we carefully and very impartially analyze the Zionist policies of Khomeyni's regime, we will finally reach the conclusion that Khomeyni is moving in the path leading to Zionist and imperialist interests. If 21 months ago, it had replied affirmatively to Iraq's peace-seeking proposals and had accepted the Iraqi Government's message calling for peace and peaceful coexistence, today our troops would have been in Lebanon and would be fighting to defend the people of Palestine and the Muslims of Lebanon. But since the Zionist enemy wanted to create a second front in the east to distract the Arabs' attention from the Palestinian issue, Khomeyni's Zionist regime was assigned with this task. Khomeyni sparked off the flame of war against Iraq with his instigations and insisted on its continuation. Now that the Iraqi forces have declared a unilateral cease-fire and Iraq's president and commander-in-chief, His Excellency Saddam Husayn, has ordered the withdrawal of Iraqi forces from Iranian territories and by termination of the war foil the plots hatched by the Zionist enemy, Khomeyni's toady regime resorts to an attack against Iraqi territory to continue the war so that the Iraqi forces will not find it possible to defend themselves and the Palestinian nation. But despite all of Khomeyni's suspicious and futile attempts to keep the flame of the war along the Iraqi borders going, Iraq's efforts toward a respectable and just peace will continue. Iraq's forces withdrew from Iranian territories to show their good will to the world and the Muslim world in reaching a peaceful solution in ending the war. Of course, following the withdrawal of its forces from Iran, Iraq announced its readiness to accept any logical and just conditions for the establishment of good neighborly relations with Iran. If Khomeyni's regime puts an end to its expansionist plots, Iraq is (?prepared) to establish normal and fraternal relations. Had Khomeyni's regime (?not moved toward the fulfillment of the Zionist enemy's plans) and had it started a true struggle with the occupiers of Jerusalem not with slogans but by acts, Iraq too would have been prepared to extend a hand in unity and give any type of assistance necessary.

CSO: 4400/384

## YOUTH MINISTER COMMENTS ON DISPUTE WITH IRAN

JN171756 Baghdad INA in Arabic 1545 GMT 17 Jul 82

[Text] Nicosia, 17 Jul (INA)—Ahmad Husayn, the Iraqi minister of youth and the head of the Iraqi delegation to the emergency ministerial meeting of the Nonaligned Movement Coordinating Council, said that Iraq considers the principles of the Nonaligned Movement as the cornerstone of its foreign policy. The minister said that Iraq awaits, with great optimism, the forthcoming summit conference of the Nonaligned Movement scheduled to be held in Baghdad next September.

At a press conference held here today, Ahmad Husayn described the Nicosia meeting as important because of its support for the struggle of the Palestinian people against the Zionist enemy. He said that the Nicosia conference supports the principles of the Nonaligned Movement in one form or another by backing the cause of the Palestinian people.

The youth minister said that Iraq is greatly optimistic about the success of the seventh summit conference of the Nonaligned Movement scheduled to be held in Baghdad next September. Ahmad Husayn said that the Baghdad summit conference represents a great step forward in backing the principles of the Nonaligned Movement.

Regarding the recent Iranian aggression against our territory, the minister emphasized that the Iranian aggression has failed completely and that the Iraqi forces are lying in wait to repulse any force that attempts to desecrate the sanctity of our soil.

Ahmad Husayn explained that the Iraqi-Iranian dispute continues because of the expansionist intentions of the Tehran rulers and their desire to interfere in the internal affairs of Iraq and other Arab Gulf states. He said that despite our repeated calls to settle all the problems between us by peaceful means, and despite our acceptance of the international mediation efforts, all our stands were met with negative response by Tehran, thus confirming Iran's ambitions in the region.

He said that Iraq did not only respond to peace calls but it translated its stands into action by ordering on 20 June the withdrawal of its forces from all Iranian cities and territory. He said the withdrawal was completed on 30 June.

The minister said that after the completion of the withdrawal and under the cover of the Zionist aggression against Lebanon and the Palestinian resistance, Iran escalated its aggression against our territory. Its forces violated our international borders but were expelled.

The head of the Iraqi delegation to the emergency meeting of the Nonaligned Movement's Coordinating Council asserted Iraq's determination, its armed forces and people to defend the sanctity of its soil and to repulse all forms of aggression with all the means available to it.

Answering a question on the current military cooperation between Iran and the Zionist entity, Ahmad Husayn said that the fact of this cooperation is not concealed from any one despite the desperate attempts by the Iranian authorities to conceal it, particularly after the Zionist War Minister Ariel Sharon himself asserted in the beginning of June 1982 that his government gave a large amount of military support to Iran in its war with Iraq.

Ahmad Husayn exposed the Tehran rulers' false claims about their stands in support of the Palestinian issue. He said: When the Zionist aggression against Lebanon and the Palestinian resistance began, the Tehran rulers claimed that they were prepared to send forces to Lebanon across Iraqi territory. When we agreed they asked how "they could send their" forces while our territories were occupied? When we withdrew our forces from the Iranian cities and territory, they began to shell the city of Basra daily and violated our international borders before we finally expelled them.

Ahmad Husayn added that despite Iraq's positive stands, Khomeyni said that the road to repulsing the aggression against Lebanon passes through Iraq.

In conclusion, Ahmad Husayn said he hoped that the Tehran rulers would realize the facts of the age and accept the principle of good neighborliness, particularly after the current battles which contain enough lessons.

CSO: 4400/384

BAGHDAD ATTACKS MUSAVI, VELAYATI STATEMENTS

GF171658 Baghdad International Service in Azeri 14 Jul 82

[Unattributed commentary]

[Excerpts] Dear listeners, Iranian officials have again resorted to negative statements. It will be recalled that following Iraq's unilateral declaration of a cease-fire and voluntary withdrawal to international borders, the Nonaligned Movement, the representatives of Islamic countries and certain circles which cherish good will moved after Iraqi Government's wish for resolving disputes through negotiations to make serious and determined efforts. Regrettably, the Iranian officials have failed to relinquish their (?negative) stand. Clamoring in unity, they have threatened that they would carry out military operations within Iraq. The latter, on the other hand, moved to call on the United Nations to seriously take up this state of affairs. Taking into consideration the political situation both in the Middle East and in the Near East and keeping in mind that one of the sides is still opening fire, the United Nations moved in good will to call for an end to the war for the sake of resolving the current disputes between Iran and Iraq through peaceful means, provided that Iraq withdraws to international borders.

Regardless of the clear-cut UN resolution in this respect, the warmongering Iranian rulers continue their deceitful activities. They have now begun to argue that Prime Minister Musavi has described this body as illegal and that Dr Velayati has said the resolutions adopted by the said body are [words indistinct] and that they have been encouraged by powerful countries and the Iraqi Government. However, if Musavi regards the UN body as illegal, then why do his official representatives participate in the official sessions of this body? If this organization adopts illegal resolutions and [words indistinct] as claimed by Musavi, then how can one explain the nonsensical statements Dr Velayati makes in this body?

According to the officials of the Khomeyni regime, the resolutions adopted by the UN body are against Iranian interests and in favor of those of the Iraqi Government. Their doctrine predicts that the Nonaligned Movement, the delegations of Islamic countries and the UN body are agents of arch-Satan U.S. imperialism and other eastern and western powers. Under the circumstances, we do not know which one of the international bodies, organizations and establishments are acceptable to the Khomeyni regime. Nor do we know

the regulations or laws they heed or respect. Meanwhile, in a very imprudent manner, Dr Velayati has openly insulted the leaders of the Nonaligned Movement. After levelling abuses and insults against them--abuses and insults which he himself deserves--Dr Velayati has described the UN body as illegal and the UN departments as (?oppressive). Velayati has claimed that in order that Iran can respect the United Nations, the veto right of the United States, the Soviet Union, France, Britain and the PRC has to be lifted and the UN headquarters in New York has to be transferred to another place. Let us ask what connection the ending of the war has with UN measures and Dr Velayati's threats? Is there any connection between the Iraqi Government's proposal regarding a cease-fire and the legality of the UN body or the abrogation of the rights of the said organization?

Acting in good will, Iraq has called on the United Nations to act as an impartial mediator to help resolve the dispute between the two sides. That is why the United Nations has responded to Iraq's moral and peaceful offer. Nevertheless, the Iranian rulers, who have no more excuses left to make, have begun to blow the horn from the wrong end. According to Velayati, if the UN body takes measures to secure a cease-fire by sending multinational delegations to the warring sides, or if this organization sets up (?military units) and deploys them on (?international borders between the two sides), the Khomeyni regime will withdraw its representatives from the United Nations and declare disinterest in its resolutions. Statements by Musavi and Velayati indicate that the Khomeyni regime intends to maintain its rouguish behavior.

Dear listeners, ever since the beginning of the war, Iraq has been expressing at every opportunity its preparedness to agree to a cease-fire. Iraq has been sincerely applauding the effort made in this respect by the Nonaligned Movement, Islamic countries, impartial states and the United Nations. Iraq has also asked that a clear-cut resolution be adopted by the UN body, which, taking into consideration the interests of the two countries, has adopted one. Undoubtedly, the implementation of this resolution will lead to the settlement of the Iraq-Iran dispute through peaceful means. The important thing now, however, is the rejection by the suspicious Iranian rulers of the resolution adopted by the United Nations. Nevertheless, it has become obvious once again that the Iranian officials should grab this nice opportunity to express respect for international law and regulations. They should not move to harm Iraq's tranquillity and independence any more. It must be kept in mind that Iraq is capable of defending its honor, dignity and prestige. It is also capable of inflicting heavy blows on the aggressor. Taking into consideration the disputes and the tense political atmosphere prevailing in the Middle East, which have actually been created by imperialists and the Zionists, Iraq has arrived at the conclusion that the war must be brought to an end. Therefore, the Iranian officials should not continue putting obstacles against Iraq's good will. The progress of the war will not be in their favor. It must be understood that military operations by the Iranian armed forces within Iraq will only mean political and military suicide for the Khomeyni regime.

CSO: 4400/384

BAGHDAD CITES OPPRESSION OF IRANIAN MEDIA

GF211621 Baghdad International Service in Azeri 1800 GMT 19 Jul 82

[Unattributed commentary]

[Excerpts] Dear listeners, the camel [deve] which has been sitting in the path of the Iranian Mujahidin, Fida'iyin, the freedom-loving entities and media organs of the anti-regime forces has now decided to sit in the path of MARDOM, the official organ of the Tudeh Party in Iran. This horrible and insane camel, with attributes common the character of the Khomeyni regime, can (?choose to sit at any place and at any time) for any reason whatever. Just as this camel sat in the past at the doors of newspapers MOJAHED, MIZAN, ENGELAB-E ESLAMI, KARGER, HAQIQAT, JEBHE-YE MELLI [as heard], (HOVEYDUR) and hundreds of others, now it has begun knocking on the door of MARDOM, the Tudeh Party's official organ.

It will be recalled that on several occasions in the past we pointed out that this insane camel has been raised in the homeland of imperialism and Zionism and that (?cooperating) with it is tantamount to committing political suicide.

The Tudeh Party is an organization belonging to the heroic sons of the people such as (Hosavi Ruzbiks), (Siamaks), (Gerdanis), [name indistinct] and others like them. Regrettably, the heroic sons of the people we have referred to have not been able to avoid the crushing blows of this party.

The Tudeh Party has not been willing, neither in the past nor at present, to criticize its political mistakes and admit the realities. Thus it has played a very active and important part in the diversion of the glorious revolution of the Iranian people by Khomeyni's criminal band. Nevertheless, the time has come for the Tudeh Party as well--a party which, under the [words indistinct], has been turned into a center of support for Khomeyni and his criminal band and, as such, one endeavoring to give a legal appearance to all the treacherous acts and crimes committed by Khomeyni, acting in the meantime as the spokesman of this regime for the sake of exploiting its anti-imperialist character. The wardens of Khomeyni have officially stated in clear terms that, taking into consideration the treacherous role of the Tudeh Party leaders related to foreign countries in the course of the party's political life, the doors of MARDOM have been sealed temporarily. In other words, the account of MARDOM has been closed.

According to official calculations of General Rayshahri [title as heard] and Mohammad Gilani, a number of the Tudeh Party's leaders and influential cadres have passed on information to foreign countries against Iran's (?sovereignty), independence and territorial integrity. Thus, taking into consideration the safety of Iran's borders and security, the party's activity has been terminated in a number of fields and the doors of MARDOM have been sealed by the Pasdaran.

Dear listeners, it seems it is up to us to inform you in detail on the matter. It will be recalled that we used to say that because of the criminal existence of the Khomeyni regime, the deviated, [word indistinct] and fawning leaders do not stand a chance to continue their political activities. If they ever had one, then it was just as we have said: temporary. And this is what has actually happened. Thus, over the (?closure) of MARDOM by Ayatollah Khomeyni and his community--(?a paper which has slandered) national heroes such (Ruzbik)--we express our condolences and our congratulations to Khomeyni and his treacherous dregs.

CSO: 4400/384

KHOMEYNI PERSECUTING IRANIAN MINORITIES

GF201450 Baghdad International Service in Azeri 1800 GMT 17 Jul 82

[Unattributed commentary: "Azarbayjan Does Not Forget Its Historic Duty"]

[Excerpts] The Persian chauvinists, just as they have done in the past, are again resorting to slander against the non-Iranian peoples living on Iran's northern, southern, western and eastern border provinces, with a view to subduing their demand for national liberation and legal rights. The same policy is also directed against Iran's neighbors. It is as if the troubled Baluchi, Arab, Kurdish, Torkaman and Azeri peoples are obliged to safeguard the Pars Province around which they live. It is as if the said peoples have never had fraternal ties with the toiling masses of Persians and have never acted with them. Thus it is deemed that they have no right to demand their national rights. And, in the event the non-Iranian peoples in Iran refuse to accept living under captivity, they are immediately accused of being agents of foreign entities and neighboring countries and then they are stained with blood.

The racist Persian rulers have accused the Republic of Iran of being responsible for the (?organization) of the National Liberation Movement in Iran, a movement which in fact stems from [words indistinct]. However, the natural resistance and the strengthening of the National Liberation Movement of the Azeri, Kurdish, Torkaman and Arab peoples in Iran have undermined the Khomeyni clique's false and treacherous accusations.

How long can they continue to (?oppress) these freedom-loving patriotic entities? How long can the racist individuals who (?move in the wake) of imperialism and Zionism continue to describe the Azeri people as [words indistinct] and aggressive?

We therefore state in clear terms that the Azeris, Torkamans, Kurds, Arabs and Baluchis--including the poor Persians who are different from the racist Persians--have the legal right to enjoy their own national rights and have their own administrations within the boundaries of Iran. However, recognition of these rights requires the elimination of the racist Khomeyni administration.

CSO: 4400/384

PRESS SAYS 'SURPRISES' AWAITING IRANIANS

JN191029 Baghdad INA in Arabic 0720 GMT 19 Jul 82

[Text] Baghdad, 19 Jul (INA)—Today's papers stress that the Iraqi forces will fight on their land in a way that will surprise the Iranian enemy because these forces have prepared for every battle with appropriate weapons and surprises.

AL-THAWRAH says: Tehran's rulers, who have tried to desecrate Iraq's territory, will be given harsher lessons by our armed forces than those following their aggression in September 1980.

The paper adds: All Iraqis realize this fact and are completely ready to fight with the determination of strong and faithful men.

Concluding, the paper stresses that the Iraqis' courageous defense of Iraq's sovereignty and honor against the Iranian aggression is a defense of the Arab nation and world liberation and progressive causes.

AL-JUMHURIYAH says: The fate of the new and repeated Iranian aggression on our eastern border which aims at desecrating our sacred land and interfering in our internal affairs, will not be better in its 23d month than it was in the past 22 months.

The paper adds: The Iraqis stand proudly and honorably against the aggression because they are aware of the secret behind the fierce aggression in which the Iranian rulers join forces with the Zionist expansionists and those of Arab nationality.

The paper stresses that the Iraqis, who have fought the enemy inside its borders, will fight on their territory in a manner which will surprise them. This has been practically confirmed by our armed forces in the Basra sector during the past 5 days. Every battle has its appropriate weapon as well as its surprises.

The paper concludes: The Khomeyni invasion attempts, which were foiled by the Iraqi forces and in which the Iranian war instruments were turned into scrap, will continuously be destroyed whenever the enemy dares to repeat them.

CSO: 4400/384

IRAQ

BRIEFS

IRANIAN LOSSES LAST WEEK--Baghdad, 21 Jul (INA)--An Iraqi military commander has said that last week's battles east of Basra were characterized by the Iraqi forces' decisive action and sudden swoop on the Iranian forces. The commander of the Muhammad al-Qasim forces stressed in a press statement published here today that by repulsing the three Iranian attacks the Iraqi forces inflicted massive losses on the Iranian 21st, 77th, 16th and 92d divisions and killed a huge number of the Khomeyni guards. He pointed out that Iran's 30th armored division, which consisted of Khomeyni guards, was completely destroyed including its armor and vehicles. He added that after repulsing the Iranian attacks, the Iraqi forces combed the battle area and captured many Iranian soldiers who lost their way in the prairie. The commander indicated that some Iranian prisoners of war had affirmed that the commander of the 30th division was seriously wounded and that the attempts to evacuate him failed due to the Iraqi forces' heavy fire.  
[Text] [JN210956 Baghdad INA in Arabic 0930 GMT 21 Jul 82]

CSO: 4400/384

U.S. ADMINISTRATION'S ATTITUDE TOWARD ISRAEL

TA160727 Jerusalem THE JERUSALEM POST in English 16 Jul 82 p 8

[Commentary by Washington correspondent Wolf Blitzler: "Writing on the Wall"]

[Text] The two days of Senate Foreign Relations Committee confirmation hearings for Secretary of State-designate George Shultz pointedly underlined the bi-partisan, non-ideological nature of the current wave of anti-Israel criticism.

As demonstrated during the questioning, the two most bitter opponents of Israel's decision to move against PLO strongholds in Lebanon were Republican Chairman Charles Percy of Illinois, a moderate conservative, and Democrat Paul Tsongas of Massachusetts, a staunch liberal.

Percy, who has been quite critical of various Israeli actions for at least eight years, repeatedly urged Shultz to find a way to bring the PLO into the peace negotiations. Shultz resisted, merely reaffirming the long-standing U.S. stance that the PLO would first have to recognize Israel's right to exist, accept UN Security Council resolutions 242 and 338 and "get off the guerrilla kick."

Tsongas, who had a reputation for being friendly towards Israel until he took a leadership role last year in condemning Israel's strike against the Iraqi nuclear reactor, strongly pressed Shultz to condemn the Israeli actions in Lebanon. Shultz merely expressed regret, which is exactly what President Ronald Reagan himself had done during his White House news conference 10 days earlier.

What was most fascinating about both Percy and Tsongas, was their effort to point out that Prime Minister Menahem Begin's policies have even been criticized by some American Jews; and as if to head off complaints from their Jewish constituents, both went out of their way to raise with Shultz the question of Soviet Jewish emigration rights--a cause which they strongly supported.

With Tsongas taking the lead among liberal Democrats in attacking Israel these days, attention has automatically shifted somewhat to the hot debate on Israel now underway in the out-of-power Democratic Party. The 1984 presidential campaign is only two years away. If Reagan seeks re-election, he probably

will be vulnerable, on the basis of current public opinion polls. There is no doubt that the Democrats are itching to get back into the White House.

By going after Israel, Tsongas, the junior Senator from Massachusetts, was merely following in the tradition of other Democratic liberals, including former South Dakota Senator George McGovern, who frequently used to complain that Israel was being too intransigent on the Palestinian question.

But not all liberals agree. The senior Massachusetts senator, Democrat Edward Kennedy, has refused to join Tsongas in condemning the Jewish state, and has remained steadfast in his support for Israel.

Pro-Israel political activists here are under no illusions that a Democratic victory in 1984 would necessarily result in a more favourable climate of opinion towards Israel. Things might get worse. They may have had some problems with Reagan, but the many rough moments in U.S.-Israeli relations during Jimmy Carter's presidency still remain very vivid in their minds.

Furthermore, recent statements coming from the liberal wing of the Democratic Party are not all that soothing to Israel's best friends. The centre of national policy, which is a sort of Democratic think-tank, gearing up on issues for the 1984 campaign, recently published a report on the Middle East that was quite condemnatory of Israel.

The report, entitled "Alternatives for the 1980's," focused on U.S. foreign policy. It was prepared by former Secretary of State Cyrus Vance and Harvard University Professor Government Stanley Hoffmann. Former Deputy Secretary of State Warren Christopher wrote the introduction. It was released before the recent fighting in Lebanon.

"The set of proposals outlined several years ago in a report by the Brookings Institution remains the most sensible," this new document said. It continued:

"The fundamental obstacles to peace are Israel's refusal to move in the direction for a settlement of the Palestinian problem entailing self-determination for the Palestinians (indeed, the policies followed by Israel Prime Minister Menahem (sic) Begin make impossible a settlement of the Palestinian issue acceptable to any (state), and America's failure to confront Israel except on marginal issues. If Israel showed a willingness to put an end to the creeping annexation of the West Bank, and to accept the principles of self-determination for the Palestinians, then Arab intransigence, which has already been dented since Al-Sadat's breakthrough, would probably recede further or be limited to eccentric states.

"In coming years, the U.S. will have to choose between a course which, if continued, will undermine the positions of moderate Arab governments with which Washington has been cooperating; and a more energetic course which will severely strain the special relationship with Israel and the body politic in America."

It concluded with this ominous warning for Israel: "Only the second course of offers any positive prospect for fulfilling the strategic and economic interests of the United States in the Arab world, as well as for ensuring Israeli's long-term ability to live in peace and to play a role as a member of the (troubled) family of Middle Eastern nations."

The report, naturally, has irked many of Israel's most loyal friends in the Democratic Party, including the former White House liaison to the American Jewish community during the Carter administration, Edward Saunders. "I can see very little difference between the attitudes expressed by Professor Hoffmann and the (Defence Secretary) Caspar Weinberger wing of the (Reagan) administration," he wrote in a letter to the centre.

"Furthermore," Saunders said, "upon re-examination of all of your publications, I have found no reference to the importance to the United States of the existence of the only democracy in the Middle East, Israel. This omission seems to me to be further evidence of the adoption of the center for national policy of a view that American problems in the region have their origin in Israel, and that the most radical elements in the Arab world must be mollified at Israeli's expense."

Saunders, a member of the centre's advisory board, said he could not "sit by quietly while these views are being propounded."

"I believe that they are a disservice to the interests of the United States and also will injure any political party that is identified with them," he said.

"While individuals may not agree with every aspect of Israeli policy, I cannot be part of an organization whose position is that the problems of the Middle East can be traced to Israeli policies, which must be reversed by U.S. pressure on Israel. I have therefore concluded that I should resign immediately from the national advisory board and I ask that you consider this letter to be such a resignation."

Saunders sent copies to former Vice President Walter Mondale, a close friend, and Democratic Senators Kennedy, Alan Cranston of California and Gary Hart of Colorado, all possible Democratic presidential candidates in two years. Each has been supportive of Israel in the past.

Ted Van Dyk, the head of the centre, later wrote back to Sanders, asking that he reconsider his resignation. The centre, itself, Van Dyk said, was not endorsing any Middle East position. It was simply putting forward some ideas for consideration. Saunders, he said, had misunderstood what the document was all about.

But for Saunders and many other leading Jewish political activists and fund-raisers, the writing seemed to be on the wall. Unless decisive action is taken quickly to reverse this increasingly hostile trend towards Israel, the situation could get out of control. That, they say, is the significance of the high Tsongas profile against Israel and the Hoffmann/Vance report.

CSO: 4400/388

## ISRAEL

### REPORT FROM KNESSET DEFENSE FOREIGN AFFAIRS COMMITTEE

TA191415 Jerusalem Domestic Service in Hebrew 1300 GMT 19 Jul 82

[Text] The commander of the IDF aid unit in southern Lebanon said today that in the refugee camps in the areas under the IDF control there are 61,000 Palestinians. A third of them lost their homes during the war and are now living in temporary dwellings. Our correspondent Arye Golan says that Brig Gen David Maimon gave those details to the Knesset Defense and Foreign Affairs Committee. He reported extensive activity in medical aid to Lebanon and noted that the International Red Cross confirms that the aid is according to the requirements. He went on to say that in the towns of Tyre and Sidon life is back to normal. In the last 2 weeks Lebanese merchants purchased merchandise worth more than \$1.5 million in Israel.

MK Yitzhaq Rabin who toured Lebanon yesterday said at the meeting that Israel should solve the Palestinian problem. He expressed the fear that this winter as well Israel will have a problem regarding the Palestinians' way of living.

The head of the Civilian Administration, Menahem Milson reported to the committee that quiet prevails in Judaea and Samaria. According to him the Arab residents of the territories do not feel that their relatives were hurt in Lebanon. Menahem Milson estimates that Palestinians circles in the world are thinking of changing the Palestinian charter and see it as an anachronistic document, mainly on the subject of terror, but there is no change in the demand for a homeland for the Palestinians.

The commander of the Gaza Strip said at the meeting that Rashad Ash-Shawwa was dismissed from the post of mayor because he closed down the municipality. He expressed surprise over the fact that there are some who see Ash-Shawwa as moderate and representative saying that he is not moderate and does not represent the Palestinians since he was appointed by the Israeli military authorities. Knesset members Abba Eben and Hayim Bar-Lev said that they do not understand the authorities' policy in the territories and wanted to know who will replace the dismissed mayors.

CSO: 4400/388

## 'HA'ARETZ' CRITICIZES BEGIN'S GRAND SCHEMES

TA261112 Tel Aviv HA'ARETZ in Hebrew 26 Jul 82 p 9

[Yo'el Markus commentary: "From the Big Thing to the Endless Thing"]

[Excerpt] Clearly Mr Begin wishes to do what no other prime minister before him has done throughout all of Israel's wars: to bring about an unequivocal decision in the field so that this time the political achievement will be complete and not slip away from our fingers, as it did in the past. His political goal is Eretz Yisra'el, and the military, political and psychological liquidation of the PLO is part of that campaign for Eretz Yisra'el. Therefore, it was no mere coincidence that in the rally in Tel Aviv expressing support for the war in Lebanon, Mr Begin said a peace treaty will be signed between Lebanon and "Eretz Yisra'el." Mr Begin believes the expulsion of the PLO from Lebanon is a precondition for the elimination of the Palestinian problem, or at least for the creation of a state of affairs in which his political heirs will not be able easily to separate the West Bank from Israel.

Consistent in this grand scheme of his, he has foiled any compromise proposal that could give the terrorists an honorable way out of it all. Such a situation seems to him to be an oxygen hose through which the terrorists could come back to life. He understands that anything short of the annihilation of the PLO will, as far as he is concerned, constitute a failure and will raise many bitter questions with the public as to whether the number of casualties was actually justified. But if the figure of 2,000 casualties appears to be too much bloodletting for the attainment of such a limited objective as peace for Galilee, then in the broader context of the campaign over Eretz Yisra'el, of which Lebanon is part, the past and future bloodshedding could appear to be a bit more justified.

The experience the prime minister has accrued in his relations with the United States, with the world countries and with the new population that has grown in Israel encourages him to believe that he can do what he says. Because the world, on either side of the Iron Curtain, is currently undergoing a leadership crisis, it would not be groundless to portray Begin as one of the stronger leaders in the world. He has indisputable dominance over his cabinet, and with the possible exception of Khomeyni, he is the sole world leader acting by ideological rhetoric and relying on the ignorance of the masses, who are lured by his gift of speech. Because of the ease with which the war in Lebanon was conducted, he may believe that he is really treading the right path. He

can argue that he understands the Americans better than they understand themselves. After all, the warnings of what they could do to us if we went to war were not the inventions of journalists but something they heard from official administration personnel. Since no threat materialized, it looks as though Begin knew better what they would and what they would not do. He assumed that they would gloat over the service he would render them: proving the supremacy of U.S. arms, dealing a blow to the Soviets, striking at the center of international terrorism that serves as the backbone for radicalism, and opening the door for the removal of the Syrians from Lebanon and the expansion of U.S. influence. Mr Begin, who has encountered rather heavy U.S. pressure more than just once, has learned to live with those pressures and assess their limitations. He also comprehended better than the PLO the latter's real standing in the Arab world. Exposing the PLO's isolation in the Arab world, plus the fact that no one wants it or is coming to its aid, may be an even harsher blow than the one dealt by the IDF.

Now, as many find themselves admitting that "new opportunities have opened" (and these include critics of the operation as well), Mr Begin is being swept into adding more to the original goals of the war so that he can also benefit from the opportunity that he thinks has been opened to him: to turn the war in Lebanon into the Waterloo of the Palestinian problem. This means that our stay in Lebanon may be a prolonged and extended business. Interviewed on television Friday night on the Yom Kippur war, the chief of staff noted that 7 months passed before things "disentangled" in the area. This time, when the "knot and mess is on their side, not ours," as he said, one should understand that a lengthier stay is conceivable. I have no doubt that Mr Begin intends to realize his unfeasible proclamation that no terrorist would remain in Lebanon. Since this is so, the solution to the problem of west Beirut would likewise not complete achieving the objectives of the war. The problem of the Syrians and a stable government in Lebanon still remain.

Mr Begin, who tried to turn rhetoric into policy, has already gone far beyond "the big thing." He has gone on to obtain the impossible, which means that Lebanon will be our Vietnam or, alternatively, will expand, deepen and extend beyond anything we have so far experienced. The fact that part of the time he is successful in implementing part of the goals without hindrance, with the support of the majority of the Eretz Yisra'el public, and with no one in the world or in Israel hampering him, has led him to gamble on all the stakes and turn us all into bargaining chips.

CSO: 4400/388

## 'HA'ARETZ' ON LEBANON SOLUTION

TA251119 Tel Aviv HA'ARETZ in Hebrew 25 Jul 82 p 7

[Commentary by Eliyahu Salpeter: "The Syrian Alternative"]

[Text] The IDF shelling and bombing of the Syrians in the eastern sector at the end of the week have served as a reminder not only to Damascus. They have also illustrated to Jerusalem that the terrorists' presence in Beirut may be the most prominent problem, but it is not the only one in the complicated Lebanese situation. And, apart from the problem of the terrorists in Beirut and the Syrians in the Al-Biqa' region, what has also appeared is the question of the differing interests of Israel and the Christian population in Lebanon, to which an answer must also be found.

Whether spontaneously or as part of the PLO's successful psychological war, statements have recently been on the upswing indicating that the enthusiasm with which the Christians received the IDF has died down and there is increasing impatience regarding the continued Israeli presence, no less than that regarding the Syrian and PLO presence. This is reflected in the change in the tone of local spokesmen and leaders, hostile statements by Lebanese Government officials and, over the past few days, it has gained publicity in the Western press. Mayors are complaining about the arrests being made at the suggestion of masked informers. Nadim (Abu-'Ajran), who identified himself as the person in charge of the southern administration in southern Lebanon, complained to U.S. journalists that Israel was expanding the authority of its allies, the Christians, at the expense of President Sarkis. A 1-day strike was held in Bayt Al-Din near Beirut to demand the release of prisoners being held by Israel, and last week AP circulated to all the journalists a long article describing the Christian Lebanese desire for the Israelis to leave.

It is understandable that Bashir al-Jumayyil, the Phalangist leader, has different goals and interests for Lebanon than those of Israel. But it is becoming more and more apparent that in his timetable and scale of priorities, the different interests regarding the future, after the elimination of the PLO presence, take precedence over Israel's help in achieving the common goal of eliminating the terrorists' presence. Not only are the Christians not helping in the fighting, they are also not partners in the political struggle and its information campaign. There are some Phalangist leaders who are saying openly that it is more important to guarantee coexistence with the Muslims after Israel retreats from the territory.

In 1 week 2 months will have passed since the IDF entered southern Lebanon and there is still no progress in eliminating the future quarrels and restoring national unity. The "National Salvation Committee" failed and expired and nobody is trying to establish an alternative body. No Christian-Shi'ite front has been established and only the IDF is preventing the Phalangists from massacring the Druze. Prime Minister Shafiq Al-Wazzan resigned, but for several weeks he has continued to serve as an outgoing resignee and his replacement had not been put on the agenda. It is hard to find any proof that the idea of founding a free, independent Lebanon is strong enough today to overcome the pressure and urgencies of splits and rivalries that led to the destruction of Lebanon's independence during the previous decade.

There is also the impression that the Lebanese cannot stand up to the speed of the Israeli activity, and we may thus be creating a hostile attitude among them.

Israel began the Lebanese war with the idea that eliminating the terrorist presence and driving the Syrians away would make possible a revival of an independent Lebanon whose existence would be a guarantee for peace for Galilee and an opening to a peace agreement. This is a theory that should have been realistically examined; but when the decision was made to invade Lebanon, the opportunity to examine it was lost. However, there is a difference between examining an idea and sticking to an approach. In view of the experience of the last 8 weeks, it is worth asking whether there is any point in continuing with the experiment, or whether we are continuing purely out of adherence to an idea.

Several criteria could help in an examination of the question:

--Is a "new order" in Lebanon an Israeli goal, or is it the affair of the Lebanese (and particularly the Christians); and, from Israel's viewpoint, is a "new order" the only means to advance its security interests?

--Does the removal of the terrorists from Lebanon have as its objective the destruction of the PLO's prestige, or the prevention of attacks against the northern settlements and reducing the terrorist actions altogether?

--Are there alternative ways to guarantee Israel's security interests, other than the restoration of an independent Lebanon on Israeli scaffolding? The alternative—and it was actually discussed before the invasion of Lebanon—is agreement with the Syrians about guaranteeing their interests in Lebanon.

The Syrians have reminded us nightly that accounts with them have not been settled and that they are waiting for this settlement. Beyond these painful reminders, the Syrians are showing praiseworthy patience. Khaddam's phrasing is worth noting: "Syria will leave Lebanon before the Israelis leave." The Syrians are also showing the ability and desire to keep the peace on the Golan Heights, despite the armed confrontations in other sectors.

The government's spokesmen also sometimes confirm that the Syrians are in the habit of scrupulously honoring what they committed themselves to in

agreements. Is there no hint in Syria's latest moves that Damascus is prepared to consider an agreement--a temporary one, maybe--with Israel about Lebanon, too? Would the candy of a step toward "greater Syria" not make it possible for them to swallow the bitter pill of continued Israeli rule over the Golan Heights?

It may be assumed that a truly independent Lebanon, without the PLO and without the Syrians and with a peace arrangement with Israel, is the ideal alternative. But this goal depends, first and foremost, on the willingness of the Lebanese themselves to work for its achievement. Israel must tell the Lebanese this and explain to them that it can also choose another alternative.

CSO: 4400/388

'HA'ARETZ' CALLS FOR PATIENCE IN SOLVING PALESTINIAN PROBLEM

TA231440 Tel Aviv HA'ARETZ in Hebrew 23 Jul 82 p 13

[Commentary by Avraham Schweitzer: "In Favor of Balance and Patience"]

[Text] At the moment, the two words, balance and patience, are a vital addition to any political statement, and Israel has no reason for complaint regarding the United States. These words are said somewhat emphatically in view of the reports preceding the Washington visit by the Saudi and Syrian foreign ministers. Senate Foreign Relations Committee Chairman Charles Percy, who undertook the role of spokesman for the Arab League, declared that if the United States did not heed the wishes of the desert kings and the other Arab countries, a Saudi threat to impose an oil embargo or to withdraw deposits in the West would be uttered or suggested. However, in addition to the denial by the Saudi foreign minister himself of the remarks by the senior senator from Illinois, it has also emerged from reports leaking from the meeting with President Reagan that both foreign ministers heard very harsh words from their host.

Even without the above-mentioned information, it would have been inconceivable that Saudi Foreign Minister Sa'ud al-Faysal should go to Washington to make threats. The Iranian offensive on Basra was repulsed, but the Arab countries along the Persian Gulf are still anxious about the revolutionary strength of Ayatollah Khomeyni's troops. After all, an iron rule says that a man does not threaten someone who may save him from his trouble. Moreover, oil--again, for the time being--is not a particularly strong bargaining chip. For these and presumably for other reasons, Reagan's firm tone and the minor tone of the Arab emissaries is not particularly surprising.

However, this should not imply that the Palestinian problem has been struck off Israel's agenda, and it will not be struck off even when the PLO is ousted from Lebanon, one way or another. In a world of simultaneous communications, the only relevant question that attracts attention is what will happen to Beirut. However, there is a desire in the United States--through pressure by public opinion, the media, and quite a few Arab sympathizers among the officials and in Congress--to set out to deal with what is regarded as the gist of the matter. And the gist of the matter is a people that regards itself as different from the family of Arab nations and sees itself as lacking a homeland and the sovereign rights.

Without questioning the strength of the basic link tying us to the United States but being aware of the U.S. tendency to identify a political problem and set out to solve it with the same pace and energy one approaches the solution of a business or engineering problem, Israel must get ready for a U.S. initiative aimed at solving the Palestinian issue. According to the basic elements--the Camp David accords being the main ones--this initiative will focus on implementing the autonomy. King Husayn, as so many others before him, stated in a recent interview with TIME magazine that the Camp David accords are dead. Whether dead or not, they will be resurrected, because there is nothing else for the time being, and the diplomats cringe at the thought that they must start anew the so-called process of making peace in the Middle East.

Therefore, the initiative will focus on implementing the autonomy. Palestinian representatives are required for the achieving of this goal, and they may be found more easily now in the wake of the PLO's defeat in Lebanon. However, in any case, the U.S. initiative must achieve the conditions for an autonomy that would justify itself in the eyes of the Palestinians and the Arab friends of the United States.

Mr Begin will obviously come out against this initiative with the aim of granting minimum rights to the Arabs of Eretz Yisra'el. The fact that he precisely chose this time to incorporate the Tehiya representatives in his government points at the positions he will adopt. These positions will result in increasing U.S. pressure, which will run into firm opposition, and, as is the way of pressures running into opposition, will grow stronger.

In order for the Israeli-U.S. struggle over the establishment of the autonomy not to prove sterile and leave a bitter rancor that could poison bilateral relations for a long time, Israel must meet the United States halfway: After what happened in Lebanon this should be easier, because the IDF has blunted the security sting of Palestinian home-rule in Judaea, Samaria, and Gaza. However, the United States must be wary of Israel's deep anxieties stemming from the murderous contents and style of so-called PLOism--PLOism is the theory of life-or-death struggle and only that, according to the Arab version--and if the United States wants its political initiative for the sake of the Palestinians to succeed, it must remove PLO-ism from the political dictionary of the Arab countries, including the Palestinians.

It is not hard to fathom what is necessary: The Palestinian charter must disappear; Israel and its right to exist as a Jewish state must be explicitly recognized and no longer be concealed within vague formulations such as "all the countries in the region" and so on. A balanced policy means bringing the conflicting parties to give up the non-vital parts of their opening platforms. If Israel is called upon to accept the rights of other peoples to exist and the practical implementation of those rights, the other nations must reciprocate. The United States will find that the Israeli public continues to support Mr Begin and his political conception, so long as PLOism--the cradle of that support--continues to guide Arab policy.

Such a turning point is a basic prerequisite for a change in the Israeli positions. The beginning of such a turning point is the condition for the establishment of a significant autonomy for the Arabs of Judaea, Samaria and Gaza. Any sensible man realizes that a change will not occur without an in-depth process of persuasion. Namely, those who wish to create such conditions must equip themselves with time and patience. These two elements are rare staples in our world, particularly in U.S. foreign policy. Indeed, the United States has more than once told Israel off because not only does it not like slam-bang solutions but also they harm Israel. This rule applies all the more to those not seeking to solve the question of the PLO presence in Beirut, but the more complex problem of Israeli-Palestinian coexistence. Determination and forbearing are the secret of success for those setting out on the long road leading to that coexistence.

CSO: 4400/388

## 'HA'ARETZ' PROPOSAL TO ALLOW PLO TO SETTLE IN TERRITORIES

TA191428 Tel Aviv HA'ARETZ in Hebrew 19 Jul 82 p 7

[Commentary by Avraham Schweitzer: "An Alternative Solution"]

[Excerpts] Yasir 'Arafat and Asad Sulayman 'Abd al-Qadir, his aide and a senior Fatah commander in southern Lebanon who turned himself in last week to the IDF authorities, prophesy with the same tongue: to leave Beirut erect and without humiliation. To where? To Palestine. And the question it is fitting that we ask ourselves is: Why not? In other words, why shouldn't Israel agree to allow the terrorists organizations' fighters and bureaucrats to enter Judaea, Samaria and the Gaza Strip—not as an act of charity for the routed enemy, but rather as an act within the realm of unemotional and the most purposeful realpolitik. Defense Minister Ari'el Sharon sounded—in his speech Saturday night in Malkhey Yisra'el Square—as one ready to adopt the idea [Sharon offered temporary asylum in Israel to those terrorists whose hands had not been bloodied]. If so, he is worthy of support.

Few will dispute that the effectiveness of supervision—in effect, control—of the PLO's moves will be maximal if it resides in an area under IDF control and exposed to the activity of other security elements. This may sound paradoxical, but second thought will confirm that with regard to security the PLO is less dangerous with its head office in Jerusalem or Nabulus than it is with its head office in Beirut, Tripoli, Damascus or Riyadh. This applies even if the organization does not formally renounce the idea of armed struggle. And if this sounds absurd, on the contrary: Such a PLO could not help but give up terrorism and move over to the domain of political action. And if it is beyond Israel's power to withstand an engagement with a domesticated PLO of this type, then the struggle we are waging against it, by this or that means, is futile and we had better just throw up our hands.

In order to prevent a misunderstanding: What is being proposed here is not that Mr Begin and his group of friends, including the members of Tehiya, abandon the greater land of Israel; it is not even being demanded that the prime minister alter his definition of the PLO as an organization of murderers. The proposal is that he invite the organization, including those of its leaders who are prepared to take the risk, to settle in Palestine in a sort of political family unification campaign. Besides stunning the Arabs, the Europeans and all the rest of Israel's enemies, rivals and critics, such a step would

also thwarting its murderous activity. An invitation to the evacuees of Beirut to return to Palestine is not therefore an appeasement proposal from the school of its Israeli adherents or from the noble-minded, but rather a shrewd move with almost no disadvantages for Israel. And this, in fact, is the trouble: 'Arafat is liable to refuse. But if he refuses, he will thereby help the efforts to end the dependency on the PLO and its leaders—efforts in which Israel has for years invested its best energy.

CSO: 4400/388

## CAPTURED MILITARY EQUIPMENT GREATLY EXAGGERATED

TA191406 Tel Aviv HA'ARETZ in Hebrew 18 Jul 82 p 7

[Commentary by Ze'ev Schiff: "A Glimpse at the List of Booty"]

[Text] Wild imagination is feeding various publications about the war, and not always anti-Israeli ones. At first there were many mentions of the numbers of the refugees and people killed in the war from among the Lebanese and Palestinians, mentions that went too far. After that counterestimates began to be published, mainly by Minister Meridor, from which the conclusion could have been drawn that the number of Israelis who fell in battles was greater than that of the Lebanese, the Palestinians and the terrorists who were killed in the war. Now different figures are being given, connected with the booty take by the IDF. On this matter, too, imagination is running riot a la the thousand and one nights stories. Not all the booty has yet been collected; every day weapons and other equipment are collected, but the main points are already uncovered.

This booty is great in quantity and outstanding in value, but this does not mean that it could fully equip divisions. Perhaps one division could be equipped—only with light and modern weapons, and it is doubtful if more than that. What we found is of great value, but under no circumstances worth \$5 billion, as one of the publications said. Nor can the claim be accepted that the weapons that were in the possession of the terrorists indicate an intention to prestore fighting equipment for their units, or others which would join the terrorists. Perhaps this could be true as regards the Syrians, who received many more tanks than there are in the army units, but there is no sign of such a trend in the weapons stores we found in the territory where the terrorists were. The only weapon found in particularly large numbers is rifles of various types. A total of about 26,000 rifles (correct up to 14 July), but these include, apart from about 10,000 Kalatshnikov rifles, also 3,500 civilian and hunting rifles and about another 3,000 old Western service rifles and thousands of Western service rifles of various and diverse types (Swedish, German, French, Belgian, U.S. and others). This, more than indicating a plot to bring to Lebanon Cubans, East Germans and other riffraff, indicates the link that existed between the PLO and the Saudi Arabians. One example of this are the modern M-16 rifles made in the United States, 625 of which were captured still packed. It appears that the Saudi Arabians not only finances various PLO activities, but also gave it weapons.

The list of booty is long and detailed. It begins with tanks, missiles and guns and extends to binoculars and Russian fur hats. With regard to many items, it is hard to decide with any certainty whether they were taken from the terrorists or collected in the field from what the Syrian soldiers left behind, but even if half of the things that fell into our hands belonged to the terrorists, it is clear that there is a broad variety. This proves, first of all, that the terrorist organizations had large reserves of money, or that they received weapons free or semifree from the Soviet Union and other Eastern countries. It was someone else who finances the military infrastructure of the Palestinians and Palestinian terrorism. Not one other underground organizations in history has ever enjoyed such luxury.

As well as the weapons, a great deal of civilian equipment was also captured such as trucks, semitrailers and jeeps. Most of these are of Western manufacture. The Russian weapons can be seen as standard arms because of its great quantity, but there are also various types of Western weapons and these tell us that we are faced with a military body which, on the one hand, has not yet rid itself of a guerrilla framework and, on the other, has not yet become a regular army. Apparently this is a question of a semiregular army. Among the many submachine guns captured (about 1,550) there are dozens manufactured by Germans from World War II and English Thompsons as well as dozens of modern submachine guns made in Austria. In addition to the most modern type of Kalatshnikovs and Meisinger snipers' rifles, about 2,000 hunting rifles were also captured, 12 gauge ones which are banned by the Geneva convention.

The heavier the weapons, the less the quantity. At the same time, there is a great quantity of the modern Model 7 RPH launchers (more than 65) and a quantity of shells for them. This proves a special attempt to strengthen the power of the antitank weapons, but apart from the RPG's, I counted at least five recoilless cannons (of all varieties) of various calibers. Also found among the antitank guns were two modern 100 mm guns. This is in addition to hundreds of Sagger missiles captured in their storehouses. Another sphere in which a great effort was made is that of the antiaircraft weapons. The impression is that the terrorists had more antiaircraft weapons than field artillery. And, of course, there is an enormous quantity of Strella shoulder missiles. What is prominent, among other things, in the ammunition stores are two types of ammunition: one, thousands of antipersonnel mines and hundreds of anti-vehicles mines, and the other, hundreds of Sagger missiles.

A separate question in itself is the heavy weapons. This is probably the surprise of the captured equipment. Three items--tanks, cannons and Katyushas--make the terror organizations into a semi-regular army. We talked much about those weapons and our leaders cited numerous statistics in regard to them. It is not true that over 400 or 500 tanks were captured in the terrorists area, as was said at a certain stage of the war. A total of 80 T-34 tanks were taken from the terrorists and it may be that part of the captured T-55 (46 in all) belonged to the terrorists. But according to a different view they are all from the Syrian Army. Before the war there was talk of about 80 tanks in the hands of the terrorists. Now it seems that either there were less or that the terrorists succeeded in smuggling some of them into Beirut. The number of armored trucks and troops carriers taken was also low.

A greater surprise is the artillery spoils. Our leaders cited almost mythical numbers on this subject at the eve of the war. They spoke of at least 300 pieces of artillery. Later they raised it to 500 and in one case went up to 800. Military elements were more careful. They spoke of about 60 130mm cannons and about 240 other cannons and another 200 mortars of up to 160 mm caliber. It now seems that either we exaggerated in our estimation regarding the number of cannons in the hands of the terrorists or that it was just this heavy weapon which they succeeded in taking with them. Fifty one cannons (and another 25 120 mm mortars and 3 160 mm mortars) were captured, among them 2 old 155 mm French cannons and 32 130 Russian cannons. It might be that part of those mentioned last belonged to the Syrian Army. The rest are long or short 122 mm cannons. The most meagre of spoils was that of the modern Katyushas. Twenty six Katyushas were captured, starting with 6 single, nonmobile launchers and ending with 15 modern 122 mm launchers each with 30 barrels (on a Chinese made truck). But until now the modern 122 mm B-M launcher with the 40 barrels was not found. And again, either the estimation concerning the Katyusha launchers was exaggerated or they were smuggled, or they might not have been found until today although they are somewhere in the area occupied by the IDF.

Setting aside the cannons, Katyushas and tanks in Lebanon and the southern part of the state which were mentioned above, it is clear that we are dealing with a very small terror state. Were these the weapons threatening the existence of the state? It posed a danger of terror actions, small attacks and shellings but certainly not a threat to our existence. A military strength of about one infantry battalion with partial support does not present a danger to the existence of the State of Israel, unless one suddenly chooses to ignore the strength of the IDF. It should not be forgotten that the IDF destroyed the terrorists' infrastructure in Lebanon not with one hand but with half a hand. On the eve of the Sinai campaign we raised a furor about the Czech weapon deal in the aid of which--so we claimed--Al Nasir would be able to destroy the State of Israel. After the operation we found out how far from absorbing the weapons the Egyptian Army was, and how far from being able to destroy Israel with a few modern tanks. We had better not repeat that information mistake today, because anyhow, the danger posed by the PLO and the Palestinian, is not directly military, but first and foremost political, and this is why it is posed by the fact that they always drag other Arab countries into getting involved in a war with us.

CSO: 4400/388

NEW BORDER CROSSING OPENED WITH LEBANON

TA151157 Jersualem Domestic Service in Hebrew 1110 GMT 15 Jul 82

[Text] Interior Minister Yosef Burg this morning signed an order proclaiming another crossing point on the Israel-Lebanon border as an official crossing in all respects. Until now, there had only been one such point, at Rosh Haniqrah, Avshalom Ginosar reports:

[Begin Ginosar recording] The new border crossing will be near Metulla. It is intended for the passage of civilians from both sides of the international border between Israel and Lebanon. Following the proclamation, a border control station, like that at the Rosh Haniqrah passage and at the border terminals with Egypt, will be set up soon at the new crossing. The Interior Ministry decided to open the new crossing following the build up in recent weeks of pressure by inhabitants on both sides of the border who want to cross the border for various purposes. It should be stressed that the Israel-Lebanon border is still closed to the passage of Israeli and Lebanese tourists.

The inhabitants who will be allowed to cross at the new station in Metulla belong to one of the following groups: firstly, Lebanese seeking to make humanitarian visits to Israel, such as visits to relatives in Israeli hospitals; secondly, Israeli members of humanitarian organizations with special permits to cross into Lebanon for aid purposes; thirdly, foreign tourists who are staying in Lebanon and who want to return to their countries via Israel; fourthly, Lebanese citizens who are abroad and who want to return to Lebanon via Israel; and lastly, Lebanese merchants interested in establishing commercial ties with Israeli merchants. These merchants also receive special passes from the military authorities allowing them to cross into Israel and they will be able to take advantage of the border crossing in Metulla. [end recording]

CSO: 4400/388

## 'DAVAR' COMMENTS ON HABIB MISSION, LEBANON

TA261304 Tel Aviv DAVAR in Hebrew 26 Jul 82 p 7

[Hagay Eshed commentary: "Where To Transfer Them?"]

[Excerpt] Only on very few occasions does Israel find itself in a military and political coalition (fragile and rife with friction as it may be--and each coalition is full of them) with such a superpower as the United States and with one of the neighboring countries; a coalition from which all three may benefit. Let us hope such a possible justified advantage will indeed be extracted and will not be allowed to slip between the fingers, as could well happen because of the impatience and lack of thinking by many a good Israeli.

This cooperation requires that Israel take into account the needs and limitations both its partners have, just as much as it has a right to demand that they do likewise. There exists a Lebanese timetable until the presidential elections, which are in September. This is the foundation on which it would be possible to renew Lebanese legitimacy--especially with political and international help from the United States and by depending on the IDF, which is the only power that has the force to remove the military obstacles--the Syrian Army and the PLO--that prevent that legitimacy from being renewed. There is also the military and political timetable for the "peace for Galilee" operation, and that operation must take into account the Lebanese political and constitutional timetable as it is being implemented on Lebanon's soil and territory. It would be advisable for all the short-tempered Israelis to bear this in mind.

However, the main thing as far as Israel is concerned is the U.S. partner. It is incumbent to replenish time and time again the batteries of friendship and understanding between us and the United States, because they constantly keep running down, and fast. It is necessary to repeatedly put to the test the basic fundamentals of the Israeli-Arab conflict and the Israeli positions in that regard. These basic truisms include the unrestrained Arab aggression against us, the unwillingness to lend a hand toward finding a constructive solution to the problem of the Arab refugees who are in camps that serve as a greenhouse for hostility, vengeance and vain hopes, such as the one to return to their homes and land. It is necessary to again and again unveil the destructive refusal of the Arab leaders, who are not ready to shoulder the burden that even the United States bears more heavily than they do in supporting the refugees. Now their inability and unwillingness to help solve

the problem of the destruction of Lebanon and absorb the terrorists and their dependents (who fear for their lives, afraid of Phalangist retaliation for past mutual massacres). There are the issues Habib is dealing with, in accordance with the joint policy of the tripartite coalition. Habib's mission should be exhausted to the full for reasons of political and propaganda benefit, as well as for humanitarian reasons. It would have been preferable for Habib to admit to himself, and to his boss, President Reagan, that the Arab countries are not prepared to bear the brunt of resolving the current burning questions—those of Lebanon, the problem of the terrorists and the refugee camps that have been destroyed, and the problem of the refugees who must be rehabilitated either in Lebanon or elsewhere. This is the voyage of discovery, Philip Habib is in its midst. This voyage can help recharge the batteries of friendship and understanding between us and the United States.

We saw on television how the poor women in the refugee camps curse and slander the Arab rulers, and primarily the Saudis, for having forsaken the refugees and betrayed them. We heard from them that they were led astray and made to believe that they could return to "Palestine" (when? how?). We have heard the question of where to transfer the refugee camps from Lebanon—the very camps the inhabitants of Lebanon do not want to have.

There may be a chance that the United States would now understand that it had committed a historic error when it financed these refugee camps without imposing any time limit. Perhaps it will comprehend that the camps served as hothouses to breed hatred and murder, perhaps even subversiveness and revolutionary emotions toward the Arab countries. Perhaps it will not understand that unless the Arab leaders put an end to the refugee camps, the refugee camps will destroy them and their regimes. This, too, could be a useful byproduct of the "peace for Galilee" operations, because then the Arab leaders would have to act quickly to absorb the refugees in their countries, grant them citizenship, give them homes and jobs. In Jordan they will also have to be given a national identity at once, by changing the name and constitution of that country and reinstating the name "Palestine," putting it once again on the map of the Middle East. This name was wiped off the map by Jordan, not Israel. The Palestinian problem, which started out as the problem of the refugees and which has grown to be a political problem, will not be able to wait for the illusory solution proposed by the PLO, a solution founded on eternal war against Israel. The problem of the refugees goes back to the top of the order of priorities as a practical problem that should be handled immediately.

As Philip Habib comes to the country, it will be necessary to review this issue once again, in view of his talks. It will be necessary to reassess the demand for the expulsion of the Syrian Army from all of Lebanon. He will have to be told the popular Jewish joke about the Jewish mother who advised her son, who was in the tsarist army, "to kill one Turk and then take a break." At this stage it is necessary to make do with the expulsion of the terrorists from Lebanon and put off the removal of the Syrians to a later stage, and this is for the simple reason that the Syrian Army is far from being defeated, and the Soviets are far from forsaking it altogether. For as long as the Syrians are assured that they can remain on a security strip along their border, they

will continue to harass the IDF either directly or indirectly, bringing about a chain reaction resulting in a dangerous military escalation. It is necessary to reach an Israeli-Syrian agreement as soon as possible, and this with the consent of the United States and Lebanon, over the continued Syrian presence in Lebanon--at least temporarily.

CSIL 4400/388

## 'HA'ARETZ' COMMENTARY ON STRATEGEMS OF PLO

TA271156 Tel Aviv HA'ARETZ in Hebrew 27 Jul 82 p 11

['Oded Zaray commentary: "The PLO and the Strategems"]

[Excerpts] The PLO leaders currently under siege in West Beirut cannot wait for the U.S. lifeboat. As far as they are concerned, only a change in the U.S. Administration's position in the direction of a recognition of that organization might turn the military defeat in Lebanon into an awe-inspiring political achievement that could outweigh all of that organization's international achievements in the last 16 years. For the sake of scoring this achievement, 'Arafat and his comrades are prepared to pay a maximum price by way of the tactical maneuver formulated for that purpose in the 12th "Palestinian National Council" of June 1974, which endorsed the "plan in stages."

This plan has since illustrated that it is possible to gain quite substantial achievements in advancing that organization's interests, including bringing about an improvement of its world image. The plan also illustrated that this can be done without requiring even the minutest change in its basic principles, as anchored in its "national charter." The PLO's political gains in the last few days have resulted in the leaders of the "front," primarily George Habash, going back on their original opposition to the "plan in stages." During the 12th council meeting, Dr Habash strongly objected to the plan, arguing that it is impossible to realize the PLO's basic objective of establishing "a democratic, secular state over all of Palestine, where Muslims, Christians and Jews will live" (that is, the original Jews, before the first Aliyah) in two stages. Today he has rescinded his opposition; thus, a general consensus has been achieved among all the PLO components regarding the "plan in stages." In subsequent councils--the 13th, 14th and 15th, which was held in Damascus last April--the tactical maneuvers were demonstrated in the form of the very general formulations of all the resolutions in a way that could allow all those interested--particularly PLO supporters and allies throughout the world--to present erroneous interpretations to it and consequently to increase its achievement and improve its world standing.

The speech 'Arafat delivered at the United Nations in November 1974 illustrated to anyone who bothered enough to analyze it the real and honest truth behind the PLO's tactical tricks. Even though 'Arafat actually clutched the olive branch and talked about peace, he still distinctly stated that "the Palestinian

homeland is not up for partition," and that "Zionism is part of an oppressive colonialist ploy, the shattering of which is a precondition for peace." 'Arafat repeated the principles involved in the "plan in stages," including the Palestinians' right to return; their right to self-determination; and their right to establishing a national Palestinian authority all over the territory to constitute the basis for the democratic, secular Palestinian state.

The PLO would never have scored any international achievements through its tactical trickery without the help of the various lines handed it by various world elements, the most significant and important of which is the United States. Perhaps some of these elements are operating out of good intentions and base the reason for their activity on a mistaken impression or lack of information. Nevertheless, ultimately the PLO stands to benefit even when subsequently it is discovered that it employs a strategem, just as it did with the "'Arafat document" of 2 days ago in Beirut.

There are firm grounds for believing that millions of Americans, as well as others, understand nothing about the "plan in stages" of the PLO's "national charter." The propaganda effect it has created attained its goal during the first hours when U.S. and other media reported on "the PLO's recognition of UN Security Council resolutions 242 and 338, and of Israel's right to exist." This is where the PLO's really important achievements lie, and the media made it possible for the achievements—with the help of U.S. personalities who are members of the Arab lobby, and thanks to the dramatized effect with which world media painted the 'Arafat-McCloskey gimmick in west Beirut.

However, what is even more disconcerting and grave is the fact that world and Middle East elements that are well—perhaps even best—acquainted and familiar with the facts behind 'Arafat's deceitful tricks, nonetheless station themselves at the head of the camp that helps the PLO derive the most out of those tricks, and they do it in the open. The leaders of the Egyptian administration know better than anyone else what the PLO's real nature and character are, and they have accrued a lot of experience in analyzing the characters of 'Arafat and his colleagues. The late Al-Sadat was the sole Arab leader who, in his last speeches, uncovered a peephole through which to view 'Arafat's and the rest of the PLO leaders' deeds. Based on his personal experience and aided by factual proof, he stated that 'Arafat and his colleagues are not trustworthy and do not at all represent the interests of the Palestinians. This assessment is shared today by the leaders of the incumbent Egyptian administration, just as it is by many other Arab leaders—beginning with King Husayn down to King Fahd and President al-Asad and Al-Qadhdhafi—who also know this. Therefore, many find it suspect and strange that the Egyptian administration leaders have come out with statements that go far beyond the attempts of the members of the Arab lobby in Washington in praising and lauding the latest deceitful trick committed by 'Arafat.

The heads of the Egyptian administration and their counterparts in other administrations throughout the world, the United States included, know full well that a change in the PLO's nature and goals in regard to Israel would require certain moves far beyond 'Arafat's signature on a document recognizing UN resolutions. If they do not find it necessary to tell their citizens the truth, one should expect Israel at least to do so, especially given the fact that this trick of 'Arafat's is not the last in the series.

## BRIEFS

**CAPTURED EQUIPMENT IN LEBANON**--In Lebanon, the IDF discovered in the terrorists' possession equipment, including sophisticated computers and a modern machine for constructing tunnels. The commander of the military equipment center in Lebanon told our correspondent that several dozen trucks have brought to Israel huge amounts of all sorts of computers and other tools, the value of which totals more than \$200 million. They also discovered and brought to Israel a giant machine made in the Soviet Union which digs tunnels and bunkers at an enormous speed. It works with the aid of a giant diesel motor which operates large blades, which also grind rock. Building wood which the terrorists received for construction of positions has also been transferred to Israel. [Text] [TA141532 Jerusalem Domestic Service in Hebrew 1500 GMT 14 Jul 82]

**FIGURES ON CAPTURED EQUIPMENT**--MK Yehuda Hashay says that in the last few days attempts have been made to minimize the extent of the danger presented by the terrorists' weapons, which is why he decided to publish figures on the arms and ammunition that have already been transferred to IDF depots. He told our correspondent that 15 truckloads with 30 Katyusha launchers each were captured, as were 6,600 Katyusha rockets, some 40 130-mm field cannons, some 200 Strella antiaircraft missiles, some 50 T-54 and T-55 tanks, some 40 T-34 tanks as well as 40 Syrian T-62 tanks. The IDF also seized five armored personnel carriers that the terrorists had mounted on a German chassis. All of this equipment, along with thousands of brand new Kalashnikov rifles, have already been transported to IDF arsenals, but some arms and ammunition are still awaiting transfer. [Text] [TA141419 Jerusalem Domestic Service in Hebrew 1400 GMT 14 Jul 82]

**ANTI-WAR LEAFLET**--Acting Attorney-General Me'ir Gabai said yesterday that there is no evidence to show that Mapam or any other body actively distributed Mapam's anti-war circular among soldiers in Lebanon. Excerpts from the circular, "Opinion Paper Number 1," were quoted by Prime Minister Menahem Begin at Sunday's cabinet meeting. Copies of the leaflet were sent to Begin and Likud Knesset members by soldiers who alleged that they were given the leaflet while serving in Lebanon. Gabai held meetings with State Attorney Yona Blatman and a team of advisers in the Justice Ministry to see whether the evidence in their hands justified prosecuting under the 1977 penal law and the 1955 military code of justice. Mapam greeted the decision with satisfaction, but a Mapam spokesman said that the party considers the prime minister guilty of "deliberate incitement" against it by publishing "selective passages" from the document. [Text] [TA160820 Jerusalem THE JERUSALEM POST in English 16 Jul 82 p 3]

**TERRORIST SQUADS UNCOVERED**--Recently the security forces uncovered two squads of terrorists who are inhabitants of Judaea and Samaria who belonged to the Fatah and the People's Front for the Liberation of Palestine. The IDF spokesman has announced that the members of one of the squads have admitted placing explosive charges in the Petah Tiqva market. Members of the other squad have admitted throwing Molotov cocktails at shops in Bethlehem. Explosive materials, detonators and Molotov cocktails were found in the terrorists' possession. The security forces last night blocked up three houses belonging to those who perpetrated the attacks in Bayt Jalah and in a village near Nabulus. [Text] [TA160417 Jerusalem Domestic Service in Hebrew 0406 GMT 16 Jul 82]

**IMMIGRATION STATISTICS**--The Jewish Agency reported on 16 July that a total of 5,681 immigrants arrived in Israel during the first 6 months of this year. This figure compares with 5,307 who arrived during the same period last year. The largest number of immigrants last month came from Romania: 132, compared to 48 last June; 92 came from Argentina, compared with 56 last year; and 82 from the United Kingdom, as against 60 last year. The number of Jews leaving the Soviet Union in June was the smallest in the last few years: 182. A total of 1,537 Jews left the Soviet Union during the first half of this year, compared with 6,669 during the first half of 1981. [TA180648 Jerusalem THE JERUSALEM POST in English 18 Jul 82 p 3]

**NEW W. BANK SETTLEMENT**--The West Bank settlement of Daniyel is being established today, near the town of Efrat. It is being set up by members of Gush Emunim. Our correspondent Shalom Oren has reported that it is to be established on the site called Mesheq Ze'ev and is to consist of some 200 dunams of state land. Our correspondent notes that Gush Emunim members feel bitter that the ministerial settlement committee has not convened for a long time and that no decisions have been made to establish new settlements. [Text] [TA180924 Jerusalem Domestic Service in Hebrew 0900 GMT 18 Jul 82]

**ALIGNMENT STAND ON PALESTINIAN ISSUE**--The real argument and the most decisive and crucial one Israel has ever faced is beginning now, over the Palestinian issue, said Shim'on Peres last night at a labor party bureau meeting last night. He said that if the PLO recognizes resolution 242 or Israel, the world will recognize the PLO. He added that the Likud is not prepared for such whereas the Labor Party will offer an alternative in the shape of a return to the autonomy talks and incorporating Jordan in the negotiations. The Likud's prayers that it would be possible to effect a political change in other countries by way of military means is totally objectionable to the Alignment. The Alignment, Peres said, regards itself as the defender of the Israeli democracy in the face of the Likud's attempts to limit and curtail it. Peres expressed appreciation for the Socialist International resolutions which are the best Israel has enjoyed in any international body. He said the meeting in Copenhagen has proved that it is possible to present our positions respectfully and leave our adversaries in isolation. [Text] [TA180815 Tel Aviv YATZOFE in Hebrew 18 Jul 82 p 2]

**JUNE DEPARTURES ABROAD DECREASE**--In the first half of 1982, a total of 256,200 Israelis left the country for abroad, a 14 percent increase over the 224,400 residents who left during the same period last year. But during June, 46,000 residents left, a decrease of 16 percent from the 55,600 who left in June 1981. In the period prior to June there was a 24 percent increase in the number of residents who left the country as opposed to last year. These figures do not include the residents of east Jerusalem who left via the Jordan bridges. Between January and June 1982, the number of residents who returned was 237,000, an 18 percent increase over last year. The balance of 19,200 in favour of those leaving the country indicates a yerida. In the first half of 1982, there was a balance of 23,700 residents leaving the country. These figures were provided by the Central Bureau of Statistics. [Text] [TA190638 Jerusalem THE JERUSALEM POST in English 19 Jul 82 p 3]

**SETTLEMENT BUDGET INCREASE OPPOSED**--Finance Minister Yoram Aridor firmly opposes allocating new financial resources to the settlement plan broached by the representatives of the Tehiya movement and Deputy Agriculture Minister Mikha'el Degel. Our correspondent Razi Bargay has learned that yesterday the members of Tehiya and Deputy Minister Degel presented their financial demands to the finance minister. Their plan calls for the establishment of 50 new settlements comprising 70,000 people in Judaea and Samaria in the next 3 years. At their meeting, Minister Aridor said that there is no money for this plan and that if it is so important, the Agriculture Ministry should finance it from its budget. Our correspondent says that a vociferous argument developed and that the matter will be brought to the prime minister for a decision. [Text] [TA200725 Jerusalem Domestic Service in Hebrew 0500 GMT 20 Jul 82]

**GALILEE DRUZE TO LEBANON**--Defense Minister Ari'el Sharon has promised [Druze and Likud] MK Amal Nasir al-Din that beginning next week Galilee Druze will be permitted to visit their relatives in Lebanon. MK Al-Din was approached by dozens of families who wish to visit their relatives in Lebanon after not having seen them for nearly 40 years. [Text] [TA211433 Tel Aviv IDF Radio in Hebrew 1420 GMT 21 Jul 82]

**DETAILS OF AIRCRAFT DAMAGED**--[Report from London by Yosi Melman]--London, 22 Jul (Special to HA'ARETZ)--Twenty-three Israeli planes were hit in fights in Lebanon, but they succeeded in landing safely. This was revealed at a London press conference today by Brig Gen (Res) Binyamin Elu'ezer, who is on an information mission for the Foreign Ministry in Western Europe. According to Eli'ezer, in addition to the Israeli Skyhawk that was hit by terrorist fire and whose pilot is being held prisoner, 23 more planes suffered slight hits. The damages were repaired and the planes resumed operations. The spokesman reported that the IDF destroyed 19 SM-6 Soviet missile batteries and more than 200 Soviet tanks. In his estimation--from a military viewpoint only--Israel erred in not having entered west Beirut at the beginning of the Peace for Galilee Operation. First Lt Ya'aqov Daniyel, a military doctor from a paratroop brigade, also appeared at the press conference. He described the torture terrorists inflicted on Israeli soldiers who fell into their hands and who they murdered in cold blood. [Text] [TA231007 Tel Aviv HA'ARETZ in Hebrew 23 Jul 82 p 2]

FUEL, COOKING GAS PRICES UP--[Report by Yitzhaq' Oqed]--The price of fuel and cooking gas rose by 24 percent and crude oil rose by 17 percent from midnight last night. This decision was taken last night by the ministers of finance and energy. They explained that the hike was due to the need to adjust fuel prices to the devaluation of the Shekel and to raise money for the war. As of midnight last night, 91 octane costs is 17.20 (up from IS13.80), a 24.6 percent increase; 94 octane is now IS18.70 (IS15.10), a 28.8 percent increase. Cooking gas now costs IS212.42 for a 12 kilogram cylinder (IS171.39), a 24 percent increase. [Text] [TA260755 Jerusalem THE JERUSALEM POST in English 26 Jul 82 p 1]

CSO: 4400/388

DAILY ON 'ARAFAT ACCEPTANCE OF UN RESOLUTIONS

JN261007 Amman AL-DUSTUR in Arabic 26 Jul 82 pp 1, 19

[Editorial: "Only Those Able Can Make Peace"]

[Text] Whether the reports about PLO Executive Committee Chairman Yasir 'Arafat signing a document accepting all UN resolutions are true or not, they still bring back to memory the political rule that those who hold the option of war are the ones who can make peace.

The heroic resistance put up by the Palestinian and Lebanese forces in defending Lebanese territory has provided the categorical proof which convinced Israel's closest allies in the United States and Europe that ignoring the PLO or excluding it from any peace process will only lead to the failure of such a process and its proponents. The strong support which the Palestinian and Arab masses are giving to the PLO in its current heroic battle in Lebanon, has also left no doubt that the PLO is the sole legitimate representative of the Palestinian people and that it is the side with which constructive contacts must be held to stop the bloodbath in the region and solve the crux of the crisis; namely, the Palestine question and the Palestinians' right to self-determination on their own land.

Israel and other hostile media have tried for years to portray the PLO fighters as terrorist gangs. They indeed succeeded for a while in presenting these strugglers, who are fighting for their right to their homeland and national existence and for the right of their future generations to live and enjoy the fundamental rights enjoyed by all mankind, as terrorist gangs.

Despite its atrocious crimes, Israel has continued to obtain total support in all fields from the United States and large sectors of the Western public until the Lebanon war revealed all the facts and showed the Israeli invaders as terrorists and racists. The Western public condemned Israel and everyone who collaborated with it.

Israel has obstructed all UN resolutions despite international efforts to remove these obstacles. Israel continues to hamper the implementation of these resolutions. Zionist media inside and outside Israel have blamed the PLO for this, claiming that the PLO has always sought to destroy Israel. Yet, as

the whole world now bears witness, it is Israel which is seeking to destroy the PLO and liquidate the Palestinian people. As a matter of fact, there are world countries, including major powers, which still refuse to recognize the PLO on the pretext that it does not accept UN Security Council resolutions on Palestine and does not recognize Israel's right to exist. The PLO has now provided the decisive answer. We are certain that those who strengthened the PLO's military capability, can also strengthen its political position everywhere.

CSO: 4400/389

'JORDAN TIMES' SEES NO CLEAR U.S. POLICY CHANGE

JN261000 Amman JORDAN TIMES in English 26 Jul 82 p 4

[Editorial: "Too Early for Optimism"]

[Text] In an interview with the Beirut weekly MONDAY MORNING, Hani al-Hasan, a close adviser to the Palestine Liberation Organisation (PLO), leader Yasir 'Arafat, praised what he saw as a shift in U.S. policy on the Middle East.

If there is really a shift in the U.S. policy towards the Middle East, Mr Hasan can perhaps be more aware of it. But signs are that the heralded shift is no more than a new political vacuum in Washington which could create some positive change if properly filled.

It is hard to question the integrity of new Secretary of State George Shultz. And it may be as hard to question, in theory at least, his commitment to an Arab-Israeli peace based on the rights of all peoples in the Middle East to independence and self-determination. Yet, and judging by past experiences, the absence of determination on the part of the Reagan administration to put an end to its "caddy" relationship with the Israeli Government of Menahem Begin could still make a bad situation worse, even with Mr Shultz on board. Of course Mr Hasan, the PLO and most Arabs would welcome a positive change in Washington's political attitudes towards the Middle East, but no one should be under the illusion that such a change can come overnight.

The problem has been there for a long time now, and it is high time America proved its even-handedness in the conflict as a respectable and neutral superpower.

If the U.S. does not act quickly now to effect the change, it is doubtful that it will ever be done.

We will only share Mr Al-Hasan's optimism when, all said and done, the U.S. presents us with a better spectacle of what it sees in the Middle East; and only when it takes action to restrain its mad client State Israel.

CSO: 4400/389

PAPER ON SAUDI MEDIATION BETWEEN SYRIA, IRAQ

LD261146 Kuwait KUNA in English 1028 GMT 26 Jul 82

[From the press review]

[Text] Kuwait, 26 Jul (KUNA)—ARAB TIMES on the Saudi mediation between Iraq and Syria:

"It is no secret that the Arab world is looking forward with interest and expectation to the visit of Saudi Crown Prince 'Abdallah ibn 'Abd al-'Aziz to Baghdad and Damascus.

"The widening of the rift between Baghdad and Damascus has increased bitterness and pain and made the cause weak. The Saudi diplomacy realises this situation and also knows the timing suitable for ending the (?tension) between these two important capitals of the Arab world.

"In his visit to both Damascus and Baghdad the Saudi crown prince carries good friendship towards both regimes. He carries his personal friendship and the Saudi diplomacy which could overcome the dangers of the past years. The dangers were grave enough to enable this diplomacy to have its say in the international political market. The effect is (?seen) in the latest events in Lebanon.

"It is hoped that the two regimes will be flexible at the meetings so as to end the trouble.

"The Saudi crown prince is requested not to return home until the dispute between Barada and Tigris is resolved. The meeting of these two rivers must be achieved to let the enemies [words indistinct].

It is hoped that this meeting will be poured into the immortal River Nile, with the immortality of Arabs and Islam.

CSO: 4400/390

KUWAIT

PAPER SUPPORTS ALGERIAN MEDIATION IN GULF WAR

LD261108 Kuwait KUNA in English 1007 GMT 26 Jul 82

[From the press review]

[Text] Kuwait, 26 Jul (KINA)--AL'RA'Y AL-'AMM on the Algerian mediation in the Iraq-Iran war:

"Iran announced yesterday that it accepted the Algerian mediation in the current war with its neighbour Iraq, but that this should be carried out within the conditions set by Iran.

"This logic does give an optimistic view of the mediation as Iran is now invading the Iraqi territories and calling for the overthrow of the Iraqi leadership as a precondition to end that war.

"There is no doubt that Iraq's positive stand was an important factor in making Algeria move towards mediation on the basis of the Algiers agreement between the two warring countries. It is also assumed that Iran while fighting to the east of Basra, has got aware of the horrible consequences of its invasion of Iraq.

"The stoppage of that invasion will not only free Iraq from that exhausting war but would also free the whole region and enable it to concentrate on the Zionist-American invasion of Lebanon.

"The Iranian response to the mediation will abort the American blackmail on the Gulf region and will enable the Gulf states to employ their petroleum and financial potential against the U.S. and stop its military and political presence in the region.

"If Iran chooses not to understand those simple facts, it will appear that it is aligning itself with Israel as Iran cannot claim that it is fighting Israel while invading the Iraqi territories and keeping the whole region busy with that war.

"Iran should halt that war, if not for the sake of stopping the bloodshed of its own people, then for preserving the truthfulness of its slogans and declared stands.

CSO: 4400/390

'AL-WATAN' CRITICIZES U.S. SECRETARY SHULTZ

PM201527 Kuwait AL-WATAN in Arabic 17 Jul 82 p 10

[Tawfiq Abu Bakr article: "To the Supporters of the New U.S. Secretary of State"]

[Text] When Shultz was named as the new U.S. secretary of state the media in many countries rushed to say the man was pro-Arab because of his past economic links. Some have followed the confirmation hearings in Congressional committee to discern his foreign policy views in the hope of finding one sentence in the hundreds of hearings record pages to confirm their illusions and dreams about the leanings of the new secretary.

They finally found it. The secretary has said it. He has spoken of "the legitimate needs of the Palestinian people." They, Arabs and Palestinians, seem to have forgotten certain facts. The secretary spoke about the legitimate needs of the Palestinian people. The fact is that there have been much more advanced U.S. official utterances in the past. Joint U.S.-Egyptian statements issued after Nixon's visit to Egypt in 1974 spoke of "legitimate rights," which in effect is more advanced than "legitimate needs." Of course, we are talking here about the immediate significance of phrases in isolation from the general political scene and the daily U.S. plots against the Palestinian people, their legitimate needs and their legitimate rights. The Camp David agreements even contained a more important phrase than the previous two by mentioning the Palestinians' "right of self-determination." The Palestinians paid no attention to this phrase because, as part of the general Camp David framework and the tangible arrangements made under the Camp David agreements and supplements, it had no tangible significance because it was merely a cosmetic phrase or a verbal part of the political history of the region, no more.

The new secretary was very clear and frank when he said the Palestinian Arab people's legitimate needs should be respected within the context of the Camp David agreements and the autonomy negotiations. In doing so he has followed the steps of the outgoing general who maintained that, on the Middle East, Camp David was the only framework for U.S. foreign policy.

The new secretary was clear and frank when he said Israel's decisive superiority over its Arab neighbors must be maintained. Before October [1973] U.S.

policy essentially favored a military balance between Israel and the Arabs as as a deterrent. When this policy failed, the U.S. moved backward and adopted a policy of "Israeli superiority." It sometimes spoke of Israeli qualitative superiority over the Arabs.

The Palestinian-Lebanese heroism and the unconventional fighting into which Israel has been dragged might in the future become the ideal popular Arab approach, and thus wipe out much of the Israeli superiority. This is why the new secretary has come up with a new phrase, namely "decisive superiority" for Israel.

As for the PLO, Shultz has said it loud and clear: I will not recognize them before they recognize Israel's right to exist and openly and unequivocally accept Resolution 242.

Are there still people who believe Shultz will be the same man in power as he was when he worked with the Bechtel group which has large investments in the Arab world and with which he was asked to break all relations before his appointment could be considered?

I will answer this question. The answer is yes. In the days of the Resistance's golden era in Jordan they said the United States was considering giving you a state in both the East Bank and the West Bank in order to contain you. After the September massacres and the Jarash and 'Ajlun massacres, they still said they would give us the same state—the same thing in times of strength and weakness. After the glorious October war—before the positive aspects of the war were obliterated—they said the same thing, and they are saying it now while Beirut is under siege.

We tell them that one of the reasons why Sharon launched his war is to preclude the possibility that even one quarter of the American and Egyptian terms for the autonomy negotiations might be imposed on Israel. How can you expect a change after what has happened?

In a provocative tone they answer: What has the Soviet Union done for you?

Brother honorable reader, do you now understand the essence of the matter?

CSO: 4400/390

DAILY ON U.S.-ISRAELI RELATIONS

PM220811 Kuwait AL-WATAN in Arabic 19 Jul 82 p 1

[Editorial: "Do Not Believe Them"]

[Text] What we fear most is that some people might misinterpret the recent statements on U.S.-Israeli relations and indulge in wishful thinking to the point of believing that these relations have really deteriorated and divorce between the two is imminent.

The fact that the Congressional Foreign Relations Committee chairman said that U.S.-Israeli relations are at their lowest ebb in 25 years, that White House officials have dropped hints that President Reagan is not pleased with the Israeli attitude and is threatening to initiate direct negotiations with the PLO, that Israel has once protested against statements made by the U.S. secretary of defense and Israeli sources claimed that U.S. envoy Philip Habib tricked Israel--all this is being said now and similar things have been said before--does not mean that there is a crisis between Washington and Tel Aviv and that divorce is in sight.

People who entertain such thoughts are in fact indulging in grand self-deception and proving their utter ignorance of U.S.-Israeli relations. They also seem to forget the bitter and bloody experiences which prove the opposite of what they aspire to and dream about.

We believe that our long experience with the United States should have taught us enough to make us correctly read the U.S. attitude, especially toward Israel. What exists between Washington and Tel Aviv is too deep and too vast to be threatened by any passing storms or clouds. It is a strategic alliance and an unbreakable partnership. It is a catholic marriage which means there can be no divorce, except in cases of proven "adultery." There may be some differences of opinion and a temporary conflict of interests, and there may be some theatricals and some rebuke, hints and arm twisting, but all these things will always remain within the boundaries of "tactics" without jeopardizing the strategy, touching the details but not the essence.

Do not believe them. They are playing on the naivety of some Arabs who are deeply in love with Washington and who would welcome anything, false as it may be, that would enable them to remain so attached to their illusion. They do

not mind spending the rest of their lives at the gates of the White House in the hope that those inside might give them a smile or blow them a kiss. For that they are prepared to forget and forgive what the United States is doing overtly and covertly for Israel, its real life partner.

Gentlemen, do not believe them. We have had enough deception and pursuit of mirages.

CSO: 4400/390

CAIRO KEY TO SOLUTION IN LEBANON

GF251410 Kuwait ARAB TIMES in English 25 Jul 82 p 4

["Opinion" column by Ahmad al-Jarallah: "Egypt in Driving Seat"]

[Text] The visit of U.S. Presidential Envoy Philip Habib to Cairo after his trips to Damascus and Riyadh has confirmed that Egypt is now officially involved in the international negotiations concerning Lebanon.

The role that has been played so far by President Husni Mubarak in bringing about an Israeli withdrawal is no longer a secret. This has reaffirmed that Egypt has not turned its back on other Arabs, even when its own interests were affected.

The Israeli ambassador is still in Cairo. The Camp David treaty is being implemented. But this has not meant closed doors for problems confronting the Arab world.

Egypt's role in this crucial situation is an important one, since it is supposed to steer American policy away from total alignment with Israel. The U.S. tilt was the result of astute Zionist diplomacy, in the face of the fact that the Arabs failed to hold the Soviet Union to any commitment, or to make their stand clear in the face of its interference in Afghan affairs.

What exactly does the Kremlin want? Occupy Arab lands in the name of supporting us? It is in this context that one must view the importance of the role being played by Mubarak. The weight carried by Mubarak is now equal to that of Saudi Arabia, which King Fahd had no hesitation in acknowledging publicly.

Now that Habib is in Cairo, it is time there are quick consultations between Arab leaders to end this disunity. This fragmentation of Arab people is because of differences among the leaders, not among the masses. What exactly is the obstacle in bringing about a meeting of the leaders of Cairo, Amman, Riyadh, Baghdad and Damascus? Would that not eliminate these differences and begin a unified Arab strategic role?

This situation need not come through an American envoy, who after all is distant from the agony of others, especially more distant when the victims themselves are not serious enough in ending their suffering.

One must now say publicly that Egypt is a direct and equal partner in the Middle East Affairs. We must make it clear after the attempts of many in shifting Egypt away from the central role.

To put it even more frankly, it can only be through the backing from Cairo that Riyadh, Damascus, Baghdad, Amman and the PLO can achieve the solution they seek in the Middle East. Only through such a step can a united solution be found, a solution that shall be respected by the world. If not, all will be in vain.

CSO: 4400/390

LEBANESE RETURNING TO UNIFIL-CONTROLLED ZONE

TA221259 Tel Aviv MA'ARIV in Hebrew 22 Jul 82 p 9

[Report by Me'ir Hare'aveni]

[Text] About 70,000 people have been added to the UNIFIL-controlled zone in southern Lebanon since the beginning of the war and the population there numbers about 300,000 people today. The UNIFIL spokesman told the MA'ARIV correspondent that the addition stems partially from the return of southern inhabitants who had fled to Beirut during the civil war as well as refugees from Beirut who came to the region to find refuge with relatives.

This population addition imposes an additional burden on UNIFIL. "The presence of the Lebanese authorities in the area in which we operate is almost nil and we feel it is our duty to guarantee to the population a reasonable degree of security and quiet," the UNIFIL spokesman said. He added that in half of the UNIFIL-controlled area there is almost no IDF presence today.

The main activity by the UNIFIL battalions, except for the patrols and the roadblocks involves aid to the refugees. There are about 1,000 refugees, most of whom live in the open, in the area in which the Dutch battalion is active. There are about 3,000 refugees in the area controlled by the Norwegian battalions.

The Dutch and Norwegian governments sent considerable contributions for this and with this sum of money food commodities, medicines, cooking utensils and gas ranges were bought and distributed among the refugees. The battalions also extend medical aid to the refugees and whenever necessary the UNIFIL physicians transfer casualties and sick people among the refugees to the hospitals in Al-Naqurah and Rambam in Haifa.

CSO: 4400/390

LEBANON

RED CRESCENT CHIEF ASKS POPE TO VISIT BEIRUT

NC231602 (Clandestine) Voice of Palestine in Arabic 1240 GMT 23 Jul 82

["Text" of letter sent by Dr Subhi 'Arafat, chief of the Palestinian Red Crescent Society, to Pope John Paul II in response to the pope's expressed desire to visit Beirut--date not given]

[Excerpts] Your Holiness Pope John Paul II, greetings and love:

No sooner had we received the news of your readiness to come to us--we who are beleaguered in Beirut--the evangelical spirit presented itself before us--the spirit which is expressed by the holy saying: I was hungry and you fed me; I was thirsty and you gave me water to drink; I was naked and you clothed me; and I was imprisoned and you visited me.

Indeed, your holiness the pope, beleaguered Beirut awaits your visit so that you may console it under the campaign of starvation, thirst and [word indistinct] and support it in what it is suffering as a result of the Israeli invasion and the tyrannical invaders' threats of complete annihilation and total destruction. Beleaguered Beirut yearns for your blessed visit so that you may see with your own eyes how the treacherous power which is now suppressing Beirut's Lebanese and Palestinian inhabitants is the same power which has been terrorizing and displacing children, women and old people for more than 30 years and which is still hunting us down with its bloody [word indistinct] and modern destructive arsenal, not discriminating between a Lebanese and a Palestinian nor between a Muslim, a Christian or a Jew, whether armed or unarmed and whether an old person, a child or a woman. This power is doing all this simply because it heard the Palestinians in Lebanon demanding to return to their home.

Come to us your holiness so that you can see with your own eyes the innocent people suffering from starvation, thirst, displacement, imprisonment and the prevention of medical supplies to their sick and [word indistinct], so that you may see the devastation that has beset the houses of the citizens and the positions of their [word indistinct] while the dismembered bodies of the inhabitants are scattered among the rubble and their chaste blood is spilled. [Word indistinct] the places of worship, the institutes of knowledge, the old people's homes, the orphanages and the hospitals which the Israeli invaders have (?destroyed) with their incendiary bombs--all this in order to kill

those who, with every pulse of their hearts, are still shouting: We will not renounce our right to return to our sacred land as long as God is right and as long as we have confidence in His justness and as long as there are sincere and faithful persons on earth, foremost of whom is you, your holiness.

Until we meet you, let us pray together so that the world can be rescued from the racist tyrants whose hearts are made of hard rock and who have allowed themselves to do what God has forbidden--shed the blood of others, loot their property and seize their land.

CSO: 4400/390

INTERNATIONAL RED CROSS VISITS PLO DETAINEES

First Visit

TA182012 Jerusalem Domestic Television Service in Hebrew 1900 GMT 18 Jul 82

[Text] Representatives of the International Red Cross [IRC] today visited the terrorists detained in southern Lebanon for the first time. The IRC representatives today also extended their protection to over 200 youths, ranging from 12 to 15 years old, who served in the PLO and who were also detained in southern Lebanon. Our correspondent Moshe Alpert visited the camp of the PLO detainees in southern Lebanon.

[Begin Alpert videotape] An IRC delegation paid a first visit at noon today to the camp of terrorists detained in southern Lebanon. Since we could not take close-up shots we can only say, against the background of these general pictures of the camp, that in the course of the visit the IRC representatives took custody of over 200 children-terrorists, aged 12 to 16. In a meeting with press representatives, some of the children related a shocking story of method of mobilization, threats and extortion used by the terrorists in Syria and in the refugee camps in Lebanon. As mentioned, the IDF today released the children for humanitarian reasons, although many of them played an active role in the righting.

The head of the training branch of youths in the Fatah, (Asad 'Abd al-Qadr)--known by his codename Salah (Ta'amri)--'Arafat's aide, who turned himself in to the IDF forces in Sidon, spoke to his former trainees and explained to them that in his opinion the PLO's military struggle has ended. He asked the children returning to their homes in Lebanon to go back to school and be like the other children. The IRC representatives told us it would take them a day or two to locate the addresses of the children's families and that until then they will remain in the detention camp in a wing separate from the adult terrorists. It should only be hoped that when the process of release takes place we will be allowed to cover this important humanitarian action which can do much for Israel's image. [End videotape]

# IRC Resumes Visit to POW's

TA279631 Jerusalem THE JERUSALEM POST in English 27 Jul 82 p 3

[Report by diplomatic correspondent Benny Morris]

[Text] The International Red Cross (IRC) yesterday resumed its regular visits to the Israel defence forces camp at Ansar, where thousands of PLO suspects rounded up during the war in Lebanon are being held. Israeli military sources confirmed this, adding the IRC officials visited Ansar also on Sunday.

The visits were halted by the IRC sometime last week because of what a Red Cross spokesman yesterday defined as "technical difficulties."

But a report published in Stockholm during the weekend said the IRC had stopped the visits to Ansar because of Israeli interference in "IRC work."

The IRC spokesman in Tel Aviv refused to explain the nature of the "technical difficulties" IRC officials had encountered, but said that these "have now been ironed out and the visiting has resumed."

A senior Israeli official said yesterday that the difficulties involved "problems of entry (into the camp) and access (to the prisoners) for the IRC. Some local IDF officers didn't quite understand what the IRC is about, what their routine and problems are."

The official said that some senior IDF officers visited the camp over the weekend and explained to the local commanders how the IRC is to be treated, and "now everything is all right."

The IRC apparently was also put off by the need to "walk the gauntlet of the press"--that is, visiting journalists--when they came to the camp. "They wanted to talk to prisoners, not to be interviewed by journalists," the official said.

CSO: 4400/390

## BRIEFS

**DRUZE DECLARE COMMERCIAL STRIKE**—[Report by 'Ada (Ushpiz)]—Representatives of the Druze in the Ash-Shuf District who met yesterday at the home of one of the Druze spiritual leaders, Shaykh Majid (Saqir), declared a general strike of businesses in the area to protest the disarmament of the Lebanese Army in Bayt al-Din by the IDF and its replacement with Phalangists. A statement published yesterday in the Ash-Shuf District said, among other things, "We protest the assault, which cries out to the heavens, on the legal institutions and the action of foreign forces which constitute a threat to the interests of the inhabitants of Ash-Shuf." In the statement, the Druze representatives ask the president of the republic, the prime minister and the military authorities "to act speedily to put an end to this situation." We are not willing to submit to incidents of robbery and plunder on the part of the Phalangists, under the protection of the Israeli occupation," the statement said. "In this behavior of theirs, the Phalangists are trying to find cover behind the IDF, and we demand that the Lebanese Army prevent this." The statement calls on all the inhabitants of the Ash-Shuf District, regardless of their communal affiliation, to take a stand against the Phalangists "so that they will be able to live in honor." [Text] [TA150858 Tel Aviv HA'ARETZ in Hebrew 15 Jul 82 p 1]

**PHALANGISTS RAID SECURITY POST**—The Phalangist gangs, protected by the Zionist invasion forces, are continuing their racist and terrorist actions against the Lebanese citizens. They raided some houses in Al-Na'imah quarter, arrested some citizens and moved them to the Phalangist center in (Al-Mushrif) Township near Al-Damur. Nothing is yet known about these citizens' fate. In Al-Jiyah Township, a Phalangist group raided the internal security forces post and threatened the security men that they will take action against them if they interfere or obstruct the Phalangist actions against the inhabitants or if they try to investigate such actions. They told the security men that these duties fall solely within the jurisdiction of the Phalangist forces. The group raided some houses, arrested two citizens and moved them to the Phalangist center in (Al-Mushrif). [Text] [NC201631 (Clandestine) Voice of Palestine in Arabic 1545 GMT 20 Jul 82]

**DE FACTO ISRAEL-LEBANON PEACE**—[Report by Arab affairs correspondent 'Oded Zaray]—Peace between Lebanon and Israel is an existing fact although it is not anchored in a formal document. The tightening of relations and common interests do not require, for the time being, written formulation. This was

stated yesterday for the first time in public by Lebanese in east Beirut, it was expressed in the AL-'AMAL editorial and in the declarations of Ibrahim Al-Najar, a philosopher and a senior personality in the (Christian) "Lebanese front." Dr Al-Najar says that there already is defacto peace and the best proof of this is the safe borders between the two countries. Lebanon, as he defined it, got rid of the strangling belt which had been around it in the form of the sea in the West and the Syrian border in the East. According to him, for the time being the scope of the revolution created by the Israeli operation--which opened, for the first time, broad horizons for the establishment of true peace in the Middle East and closed doors in face of the international terrorism--has not been felt. Dr Al-Najar added that no new and strong Lebanese president, nor a Sunni Muslim prime minister will be able, in the near future, to reject Israel's desire of peace with Lebanon. [Text] [TA221310 Tel Aviv HA'ARETZ in Hebrew 22 Jul 82 p 1]

MEA CONSIDERING USING OTHER AIRPORTS--In an interview to be published tomorrow, Salim Salam, chairman of the board of directors of the Middle East Airways [MEA], said that MEA is contemplating operating flights from Al-Qulay'at [airport] in northern Lebanon or from the Lebanese Air Force base in Riyaq in Al-Biqa', in central Lebanon. MEA flights have been suspended since Beirut airport was closed on 7 July. This is costing the Lebanese airways 40 to 45 million Lebanese liras monthly. In his interview with the Lebanese magazine MONDAY MORNING, Salam said that he prefers Al-Qulay'at airport to that of Riyaq because military forces are stationed in Al-Biqa'. The suspension of Lebanese airways flights has led to the Israelis opening an office for the Israeli El Al Airlines in Sidon. It is worth noting that some Lebanese have flown on El Al Airlines planes.[Text] [NC251230 Beirut Domestic Service in Arabic 1130 GMT 25 Jul 82]

S. LEBANESE MOVING FREELY--This morning, for the first time since the beginning of the Peace for Galilee Operation, the residents of southern Lebanon are allowed to move freely in the areas controlled by the IDF. Until now special permits were needed in order to move from one place to another. IDF sources say canceling the need for special permits is, at this stage, only experimental, and if it succeeds it will be permanent. The residents of the southern Lebanese villages, the IDF sources, said, cooperate and do everything in their power to convince the terrorists in the area to surrender. Israeli citizens will soon be able to visit Lebanon, and Lebanese inhabitants will be able to tour Israel. This was reported by an ITIM correspondent. The mutual tours are encouraged by the IDF authorities and are designed to try and build a bridge of peace between the citizens of the two countries and to break the circle of hatred and prejudice the Lebanese citizens feel toward Israel. The ITIM correspondent notes that the IDF will try and guard these tours at least during the first stage. [Text] [TA270820 Tel Aviv IDF Radio in Hebrew 0750 GMT 27 Jul 82]

CSO: 4400/360

MINISTER GUESSOUS EXPLAINS NEW INDUSTRIAL INVESTMENT CODE

Casablanca MAROC SOIR in French 25, 26-27, 28 Jun 82

[Interview with Azeddine Guessous, minister of commerce, industry and tourism; date and place not specified]

[25 Jun 82 pp 1-2]

[Text] Following passage of the new investment code by the House of Representatives, Azeddine Guessous, minister of commerce, industry and tourism, granted MAP an interview which we are publishing in three parts.

The first part looks at the results of the 1973 code and the provisions of the new code.

The second part deals with the treatment accorded firms in Casablanca and explains the effects of Moroccanization.

The third part covers areas for the investment of foreign capital, discusses the role of the private sector, and presents the outlook for industrial development.

Question: Mr Minister, can you give us a general idea of the results of the 1973 code and explain the reasons that led the government to draw up the new code?

Answer: I will begin with your first question.

1. During the period from 1974 to 1980, total approved investments for industry as a whole amounted to 11 billion dirhams, and the number of jobs was set at 147,000. During that same period, annual investment averaged over 1.5 billion dirhams and resulted in the creation of an average of 21,000 jobs per year. The investment per job averaged 73,000 dirhams.

2. Government investment as a percentage of total approved industrial investments declined steadily from 1976 to 1979, dropping from 48 percent to 2 percent. It then rose slightly in 1980, when it reached 6 percent.

The drop in government industrial investment that began in 1976 was accompanied by stagnation in private investment in current dirhams.

3. During the period from 1973 to 1976, the average amount invested per job rose steadily, increasing from 76,000 dirhams to 97,000 dirhams. On the other hand, the period from 1976 to 1979 was marked by a very noticeable drop in that indicator.

4. As far as regionalization is concerned, the Casablanca Prefecture remains the favorite choice of investors. It received about 40 percent of the industrial investments approved during the period from 1978 to 1980.

During the same period, Tangiers and Fez Provinces received 10 and 6 percent respectively of the approved industrial investments.

5. Lastly, as far as branches of industry are concerned, the chemical and para-chemical industries received the greatest share of investment during the period from 1974 to 1980--46 percent of the industrial investments approved. Other branches received the following percentages of the total: agriculture and food: 21 percent; textiles: 20 percent; and engineering and electrical: 13 percent.

#### Two Years of Preparation

As far as your second question is concerned--that is, the reasons that led us to draw up the new investment code--it should be pointed out first of all that the text adopted by the House of Representatives is the culmination of 2 years of reflection, studies, and contacts with the various economic agents. On the basis of objective findings, we endeavored to reflect in the text ideas that were simple but of guaranteed effectiveness.

We therefore assigned the following objectives to this new law:

1. The consolidation of regionalization.
2. The promotion of employment.
3. Promotion of the PMI [small and medium-size industries].

#### Establishment of Four Favored Zones

The instruments used to achieve those ends include, first of all, the establishment of four favored zones to insure regional industrial development. Second, the law has provided sizable financial benefits depending on the contribution a project makes to the creation of permanent jobs. This includes, for example, the 5,000-dirham bonus for each job created by the PMI and payment of part of the cost of the land. Lastly, a special effort is being made on behalf of the PMI, since that category of firm will receive special treatment no matter where it is established.

In conclusion, it should be noted that the Industrial Investment Code is only one instrument among others in the economic and industrial policy, and it must

be supplemented by improving the other factors, notably the price policy, the protection system, industrial zones, stronger efforts against smuggling, the simplification of administrative procedures, and so on.

#### Job Bonuses

Question: What are the main provisions in the new Industrial Investment Code, and what are the changes in terms of the 1973 code?

Answer: In broad outline, the law making up the Industrial Investment Code has the following objectives:

1. To extend the field of the code's application to include not only industrial activities as such but also activities of an industrial nature and service activities that are related to industry.
2. To make the benefits dependent on the geographical location of the new establishment.
3. To grant special benefits to small and medium-size industries by granting job bonuses, to export firms by reimbursing the special tax, and to firms that conserve energy and water and those that help protect the environment by granting an equipment bonus.

#### Conventional System

4. To clarify our position with regard to foreign investment by stating clearly what the 1973 code expressed enigmatically.

More specifically, the benefits provided in the new law consist of granting financial and tax advantages and additional advantages within the framework of a conventional system.

As regards tax advantages, the new law has retained the benefits provided in the 1973 code, such as exemption from the import duty, the tax on products that is payable on capital goods, the business license for 5 years, and the business profits tax for 10 years. In addition, it contains new provisions such as the exemption from registration and stamp taxes and reimbursement of the special tax in the case of export firms.

In the area of financial benefits, the new law has introduced two new benefits in addition to the refund of interest provided by the old code (which has now become an allowance):

The first is a direct bonus paid when permanent jobs are created by small and medium-size industries, the latter being defined according to two criteria: the maximum value of their capital equipment is 5 million dirhams, and the cost of capital equipment per job must not exceed 70,000 dirhams.

## Equipment Bonus

The second benefit is that the government will pay a portion of the cost of land located in the industrial zones. The amount it will pay varies from 25 to 50 percent, depending on the number of permanent jobs created.

Lastly, the conventional system has been improved to allow firms with an investment of over 50 million dirhams to obtain other benefits in addition to those provided by law under normal circumstances. This is different from the 1973 code, which under the same conventional system did not guarantee that all the benefits under the normal system would be granted automatically.

The new law also provides, under the conventional system, that an equipment bonus will be granted to firms making investments to conserve energy and water or to protect the environment.

[26-27 Jun 82 pp 1-2]

[Text] Today we continue publication of the interview granted to MAP by Azeddine Guessous, minister of commerce, industry and tourism, following passage of the new Industrial Investment Code.

This second installment is concerned with foreign investments and the effects of Moroccanization.

Question: Under the plan for industrial decentralization, how will the firms in Greater Casablanca be treated?

Answer: As you know, Casablanca is an urban area that is continuing to attract investors at the expense of the other regions because of its favorable socio-economic environment.

In recent years, approved investments in Casablanca have been much more sizable than those approved in the other regions despite the additional benefits provided to encourage investment in the latter.

With a view to consolidating the industrial decentralization entrusted to the government by His Majesty the King, we felt it was necessary to replace some of those benefits with others and to institute new provisions.

For example, the law allows firms in Casablanca-Anfa (zone 1) to benefit from the following provisions:

1. They are allowed to set up a pretax reserve for investment in the disadvantaged regions.
2. The special tax will be reimbursed to export firms.
3. They are exempt from the import duty when they expand.

4. They are exempt from the tax on products that is payable on capital goods.
5. They are exempt from registration and stamp taxes when they expand.
6. The bonus for creating jobs is granted in the case of the PMI.
7. There are benefits relative to the conservation of energy and water and the protection of the environment.

The law provides that in addition to the above-named benefits, firms in Casablanca's other prefectures are also entitled to the following:

1. Exemption from the import duty when establishing, expanding, or renovating small and medium-sized firms.
2. Exemption from registration and stamp taxes when establishing PMI.
3. Exemption from the business tax when establishing PMI.
4. Refund of interest.

In short, firms in Greater Casablanca that want to expand their activities after promulgation of the new code will be treated the same as those established in the other regions. On the other hand, firms established after that date will not be entitled to all the benefits provided.

Question: The problem of Moroccanization has caused sharp reactions. Mr Minister, would you give us fuller information about this?

Answer: As far as Moroccan legislation relative to foreign investment is concerned, there are two ideas that should be remembered.

The first, which constitutes the true concept of being Moroccan as defined by Royal Decree No 1-73-210 dated 2 March 1973, stipulates that a firm is regarded as Moroccan if its headquarters are in Morocco and if it also meets one of the following criteria:

1. It is a corporation and at least half of its capital is owned by Moroccan individuals, Moroccan legal entities under public law, or legal entities under private law that are recognized as Moroccan under the terms of the aforesaid royal decree, and the majority on the board of directors, the chairman of the board of directors, and, if applicable, the managing director are Moroccan individuals.
2. It is a noncommercial partnership with limited responsibility or a general partnership, all of whose partners are Moroccan individuals.
3. It is a limited partnership, provided that all the partners are Moroccan individuals and that they own more than half of the capital.

Decree No 2-73-220 dated 8 May 1973 implementing the royal decree of 2 March 1973 lists activities that are reserved for Moroccan firms.

The second idea concerns the eligibility of foreigners to benefit from the advantages provided in the industrial investment codes in connection with activities not reserved under the terms of the above-mentioned royal decree of 2 March.

The new Industrial Investment Code does not deal with the first idea, which is governed by an independent text. On the other hand, it has eliminated all conditions relative to the nationality of capital as far as benefiting from the advantages provided in the investment code is concerned.

That apparent liberalization is in fact only the translation into clear and unambiguous terms of the current situation as governed by the 1973 Industrial Investment Code.

To better illustrate what I have just said, let us imagine Company A, whose headquarters are in Morocco and which is 100-percent owned by foreigners. It is not entitled to the benefits provided in the 1973 Industrial Investment Code.

However, it can join with foreign investors--who can be the same persons--to form Company B and thus become eligible for the benefits provided by the code, although it will still not be able to invest in one of the activities listed in the decree of 8 May 1973 implementing the royal decree of 2 March 1973.

So you can see that the 1973 code allows firms that are fully owned by foreigners to actually enjoy the benefits provided by the code as long as they do so through a second company.

[28 Jun 82 pp 1-2]

[Text] This is the third and final part of the interview granted to MAP by Azeddine Guessous. It deals with investments of foreign capital, the role of the private sector, and the outlook for industrial development.

Question: In which particular sectors does the government hope to see foreign capital invested?

Answer: Economic development must be harmonious, and the same is true of industrial growth. The various branches of industry are interdependent. But while some branches in Morocco are developed, others are less so.

Foreign investment is therefore welcome, chiefly in the following areas:

1. Projects which require a great deal of capital and which cannot be carried out by national investors.
2. The engineering industry, which represents a priority in Morocco and in which the technological needs are sizable.

3. Export-oriented industries.

4. Industries that create a great many jobs.

Question: Mr Minister, what is the role that must be played by the private sector?

Answer: I cannot overemphasize the complementary nature of the roles that have devolved upon the public and private sectors in our country. The government is responsible for providing the basic infrastructure and carrying out big productive projects that require considerable financing and whose profitability can only be guaranteed over the medium or long term. That being said, the resumption of economic growth will depend in large measure on private investments aimed at increasing production capacity in the various branches of activity. For instance, of the 111 billion dirhams in gross investment called for in the 1981-1985 5-year plan, 40 percent will have to be provided by the private sector.

It is undeniable that the financial resources available to the government for productive investment, which to a large extent has been responsible for the strong industrial growth in recent years, are going to be more limited, notably because of the priorities in connection with the defense of our territorial integrity.

The growth of national and foreign private investment will therefore have to take the place of government action in a great number of industries.

Parallel with that, government action will have to help increase the efficiency of industry by rapidly adopting urgent measures of a general nature: various guarantees for private capital, adaptation of the policy on protection and prices, and simplified administrative procedures.

#### Problems To Be Solved

Question: Mr Minister, can we expect industrial activity to develop after the new code is promulgated?

Answer: The law making up the Industrial Investment Code does indeed constitute a basic element for the promotion of investment.

However, that law will not lead to all the expected results unless a certain number of problems are solved.

The first problem concerns the balance of investment among the various economic sectors. It is necessary to achieve a degree of balance among the different investment codes--real estate, tourism, handicrafts, mining, and industry--so as to pursue in a judicious manner the government's priorities in the economic area.

The second problem concerns land for industrial use. That explains why a national program of industrial zones--33 zones in all--has been underway for the

past 2 years. Some zones have already been completed, and the others are scheduled for completion during the 1981-1985 5-year plan.

#### Price Problem

The third problem has to do with government intervention in the areas of prices and domestic trade. Those interventions are intended to insure that the country has sufficient supplies of products and food items that are essential or of great usefulness, stabilize the distribution channels, study and control the approved prices, and repress fraud so as to combat illicit price increases and speculation of all kinds.

For that purpose, price approval has been instituted out of a concern to insure concerted action among the various social partners that will lead to the regulation of price increases--a regulation that must permit a rapid, balanced, and equitable expansion of the economy.

However, the price-setting process that has been used so far has some deficiencies in form and substance. It has not always succeeded in checking the acceleration of inflation, and at times, to some extent, it has even hindered development in certain industrial sectors.

That is why the government is currently turning its attention to a revision of the present system of price approval, the intention being to deregulate prices for certain activities in which there are possibilities for competition and to simplify the procedures involved in price approval.

Naturally, the procedure for price approval and control must be maintained and strengthened in the case of essential products that absorb a good share of the funds of the low-income sectors of our population.

In another connection--referring now to the fight against administrative delays--the administration must improve its welcome of investors and continue to simplify procedures and administrative channels.

In that connection, it should be noted that since the administration has a sizable number of cadres who are aware of their responsibility and of the task that is theirs, it has a duty to be the pace-setter for the desired development.

With that in mind, the principle that the benefits provided in the Industrial Investment Code are automatic is not only being retained but will also be improved, notably by setting up a structure making it possible for the problems encountered by some investors to be solved rapidly and at a high administrative level. That is the purpose of the "single interlocutor," a system whose establishment has been adopted in principle and which will be set up within the next few weeks.

## Rural Exodus

Lastly, I would like to point out that the rural exodus, combined with the necessary mechanization of agriculture, is going to increase even further the supply of additional manpower, and the possibilities for absorbing that excess must be found chiefly in the industrial sector.

The priority role assigned to industry results from the interdependence that exists between the development of that sector and the development of other economic activities.

That objective is compatible with the determination to favor agriculture, ocean fishing, and tourism. It is impossible to assign priority to those sectors while neglecting industry, since their development is heavily dependent on the development of industry. As an example, agroindustry makes it possible to increase the value of basic products both for the local market and for export. In addition, the development of agriculture urgently requires the establishment of an industrial structure in the engineering and electrical industries that will be capable of meeting the farming sector's growing need for machinery.

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CSO: 4519/239

NATIONAL INVESTMENT COMPANY ANNUAL REPORT FOR 1981

Casablanca MAROC SOIR in French 18 Jun 82 p 4

[Annual report by the board of directors of the National Investment Company for 1981]

[Text] The National Investment Company [SNI] has just held its annual meeting, during which the financial results were reported. Despite the difficult economic situation with which we are all familiar, profits of 19.7 million dirhams were reported. The report by the board of directors provides a complete survey of the past year's economic results and of the activities of the various subsidiaries in which the SNI holds an interest. While the commercial firms suffered from the economic situation, results in general remained satisfactory, as can be seen from the overall results.

The SNI's report shows clearly that despite economic conditions and the hazards of weather and despite a difficult international environment, the national economy is in good health.

The international economic situation continued to be characterized in 1981 by the persistence of a number of dark spots. These concerned both the rate of growth by the GDP in the industrialized countries, which was extremely low everywhere (from 1 to 2 percent) except in Japan, and international trade, the volume of which was in a state of near stagnation in comparison with 1980 because of unstable exchange rates and the sizable hike in interest rates.

In that atmosphere of stagflation, there was a new upsurge in unemployment, with 10 percent of the active population being affected. This placed the number of jobseekers at a level near 9 million in the United States and 10 million in the Common Market countries. With the exception of the GDR, results in the socialist countries were below the forecasts in the various plans. As for the developing nonpetroleum-producing countries, their situation as a whole grew worse under the burden of energy costs and international inflation.

It was in that troubled international economic context that Morocco experienced 1981 with all its constraints. For example, the rise in the dollar not only

inflated our country's petroleum bill (6,124 million dirhams), but also increased the servicing of debt in connection with dollar loans contracted by both the government and certain financial institutions.

Added to those factors were the burden of the national defense requirements that our country must meet to defend its inalienable rights over its Saharan provinces and the weather hazards, whose negative effects made themselves felt in all economic sectors.

The GDP showed a drop in volume on the order of 1.6 percent, although in value; it is estimated by the SNI to have totaled 72.35 billion dirhams, compared to 69.45 million [as published] in 1980, for an increase of 4.1 percent. That rate of growth, which is the lowest since 1975, is due to the combination of mediocre sectoral developments that we will review here.

Agriculture suffered a direct hit from an unprecedented drought. As a result, production of the four main cereals (hard wheat, soft wheat, barley, and corn) fell from 43.5 million quintals in 1979-1980 to about 20 million quintals in 1980-1981 (a drop of 53.6 percent), whereas the country's requirements are estimated at 60 million quintals. In those conditions, Morocco was forced to import massive quantities of those four cereals as well as other essential food products (including sugar, milk, and butter). By the end of the year, those imports totaled 4,512.9 million dirhams (one-fifth of our total imports), compared to 2,833.1 million dirhams in 1980.

At the same time, our traditional agricultural exports, while showing a net increase thanks to more remunerative prices (3,026.4 million dirhams in 1981, compared to 2,599 million in 1980), were unable to offset the outflow of foreign exchange to pay for our food purchases abroad.

Citrus exports fell to 690,000 tons, compared to 770,000 tons in 1979-1980, not so much because of the smaller harvest, which in fact was not much below the previous year's (977,000 tons in 1980-1981, compared to a little over 1 million tons in 1979-1980), but above all because of the difficulties encountered in marketing our products on the European market.

There were terrible losses of livestock due to the lack of feed and the absence of enough natural rangeland vegetation to provide the necessary food.

Mortality was estimated at between 30 and 40 percent by the Ministry of Agriculture and Agrarian Reform. If that is accurate, it means that the number of sheep was down to about 9,405,000 at the end of 1981 (compared to 15,675,000 at the end of March 1981), that cattle numbered 1,949,000 (compared to 3,248,000 at the end of March 1981), and that goats numbered 3,277,000 (compared to 5,462,000 at the end of March 1981).

Developments in mining were more or less favorable, depending on price and production changes. Production of marketable phosphate declined by 1.4 percent, falling from 18,824,000 tons in 1980 to 18,562,000 tons in 1981. The drop in exports was of approximately the same order (down 4.95 percent), bringing their volume down to 15,518,200 tons, compared to 16,237,100 tons in 1980. Export

earnings improved by nearly one-third, however, totaling 3,983.5 million dirhams, or 32.76 percent of our exports. That performance is explained both by the higher sales price (up 10 percent) and by the higher value of the dollar, since most of the billing is done in dollars.

Production of other mining products fell by 10.3 percent to 840,100 tons (a provisional figure), compared to 936,400 tons in 1980. Exports fell by only 4.3 percent, since they totaled 642,800 tons of miscellaneous ores in 1981, compared to 671,800 tons the year before. The drop in price for most of the ores exported by Morocco caused earnings to drop by nearly 8 percent.

Energy consumption was characterized by the following:

The effect of the drought in reducing the impoundment behind dams was reflected in a drop of 32.4 percent in the production of hydroelectric energy, which did not exceed 1,023.9 GWh (compared to 1,514.6 GWh). To meet the 6.2-percent rise in overall demand for electric energy, the ONE [National Electricity Office] had to increase the production of thermoelectric power to 4,075.7 GWh, compared to 3,218.5 GWh in 1980, by increasing its petroleum imports.

Overall, hydroelectric production accounted for only 19.9 percent of the country's production in 1981, whereas it has traditionally provided about 33 percent.

Coal mining activity continued its upward trend, since 703,000 tons were produced, compared to 680,000 tons in 1980 (an increase of 23.9 percent). Sales totaled 803,400 tons, including 742,700 tons on the local market. This was made possible by tapping inventories and reworking tailings.

Consumption of petroleum products as of the end of 1981 totaled some 1,876,500 cubic meters of white products (compared to 1,916,700 cubic meters in 1980), 1,822,100 tons of fuel oil (1,743,100 tons in 1980), and 286,800 tons of liquefied gas (283,700 tons in 1980).

Industrial activity in 1981 closed out the year with a 2-percent drop in total added value--hardly surprising in view of the deterioration in purchasing power (especially in the rural areas) and the accompanying slowdown in government purchases. By way of example, we draw attention to the 55-percent drop in automobile production, the 15.7-percent drop in truck production, and the near stagnation in cement production. Some industries were very fortunate in experiencing an upswing in production (though moderate in most cases): this was the case with metal packaging, boilermaking, railway equipment, and concrete pipe.

As regards construction and public works, production was down 11 percent in volume because of the persistent weakness of government purchasing and despite the start of a recovery in private housing starts in the middle of the year.

For its part, the trade balance deficit reached 10,327.3 million dirhams, or 44.5 percent more than the 7,147.6 million dirhams recorded in 1980. This was

the result of impressive growth in imports, which, at 22,488.5 million dirhams, were 33.9 percent above their 1980 level.

Exports were unable to rise above 12,161.2 million dirhams in 1981, compared to 9,645 million a year earlier. This explains the deterioration in the rate of cover for our purchases abroad. From one year to the next, it fell from 57.4 percent to 54.1 percent.

The following should be noted in particular:

The petroleum bill for 1981 (6,124.7 million dirhams) equaled more than half (50.36 percent) the value of our exports.

The rate of increase in that bill was 54.6 percent, a sizable amount.

Imports of capital goods, totaling 3,859.9 million dirhams, accounted for 17.16 percent of our imports, and they increased by 21.7 percent over 1980. Because of the effect of international inflation, this amounts to near stagnation.

On the other hand, exports of semimanufactures experienced a sizable boom (up 54.8 percent) in 1981, reaching a total of 2,096.5 million dirhams, or 17.23 percent of our sales abroad.

The current account in the balance of payments increased by 68 percent to a total of 9.4 billion dirhams, compared to 5.6 billion in 1980. This deficit was slightly lower than that in the trade balance, notably because of intensive recourse to foreign loans, which totaled 11.3 billion dirhams (whereas our expenditures under that heading totaled 3.2 billion dirhams), because of transfers by nationals working outside the country (totaling 5.2 billion dirhams in 1981, compared to 4.1 billion in 1980, for an increase of 26.8 percent), and, to a lesser degree, because of tourist revenues [number illegible] billion dirhams, compared to 1.8 billion in 1980). Debt service rose by over 70 percent to a total of 3.7 billion dirhams (the equivalent of 30 percent of our exports).

Those various pressures on the economic situation combined with a sharp rise in the cost of living, which, measured by the list of 210 items, probably averaged 12.5 percent in 1981. The main factor in the higher cost of living was no doubt the sharp rise in food prices, which amounted to about 17 percent as a result of the increase affecting certain items subsidized by the government, an increase that came about despite a sizable increase in subsidies by the Compensation Fund. Those subsidies totaled 2.2 billion dirhams in 1981 compared to 4.4 billion in 1980 [as published].

Action by the authorities to protect the purchasing power of the least favored socio-occupational categories was reflected in a 20-percent increase in the interoccupational guaranteed minimum wage and the agricultural guaranteed minimum wage, as well as a 13-percent pay increase for government employees at the bottom of the administrative scale.

For the same reasons, producer prices for the main cereals were increased so as to maintain the purchasing power of the farmers.

In the field of economic policy, the authorities had established ambitious budget objectives for 1981, which was the first year of the 1981-1985 5-year plan. A real estate investment code that is extremely favorable from the standpoint of taxes was also promulgated to stimulate a reduction of the housing deficit being experienced by the country. Adjustments were also made to the general import program, and the import deposit on a certain number of products was abolished. Those measures had very little effect on the overall results, however, as can be seen from the developments outlined above. This was because of the decisive role that the primary sector continues to play in the national economy.

Execution of the budget law resulted in a considerable deterioration in the government's cash position. The deficit totaled 12.8 billion dirhams at the end of 1981, compared to 8.5 billion at the end of 1980 (an increase of 50.6 percent). Most of that deficit was due to the equipment budget, which came to about 9.4 billion dirhams, compared to 8.6 billion at the end of 1980. The balance in the ordinary budget came to 2.25 billion dirhams, compared to 1.37 billion at the end of 1980.

The state's cash deficit was financed as follows: 64.65 percent was provided by foreign loans, which totaled 8.29 billion dirhams (compared to 4.97 billion in 1980), while IMF facilities provided 821 million dirhams. Domestic borrowing covered only 14.2 percent of the deficit at 1,822 million dirhams, compared to 1,578 million in 1980. Lastly, gross advances to the Treasury from the bank of issue provided 1,648 million dirhams, compared to 1,259 million the year before.

The above-mentioned factors explain to a large extent the 15.4-percent rise in the money supply during 1981. Even though the Bank of Morocco pursued a stabilization policy, the supply of money and near money exceeded the 11-percent growth rate planned at the start of the year. At the end of December 1981, it totaled 35,574 million dirhams, broken down as follows:

1. Supply of money: 28,995 million dirhams, consisting of 11,135 million in currency and 17,860 million in demand deposits.
2. Near money: 6,578 million dirhams, consisting of 5,872 million dirhams in term deposits and 707 million dirhams in import deposits.

The structure of the money supply was slightly different than in 1980 in that the share of near money rose from 17.9 percent to 18.4 percent from one year to the next. This was the result of a 26.3-percent increase in term deposits that was stimulated by conditions more favorable to the depositor than in the past.

As for the sources of money creation, their development was reflected in a decline in net foreign assets, which, at 1,093 million dirhams (compared to

1,533 million in 1980), accounted for only 3.1 percent of the basis for the money supply (compared to 4.9 percent in 1980).

Claims on the Treasury strengthened their preeminence (56.1 percent of the money basis, compared to 55.1 percent in 1980). They totaled 20,391 million dirhams (including 9,639 million in the form of loans from the bank of issue and 7,340 million dirhams in the form of bank subscriptions to treasury bills).

There is cause for satisfaction in the fact that the investment effort held steady at 21.7 percent of the GDP. Gross fixed capital formation totaled about 15.7 billion dirhams, thus registering an increase of 13.8 percent over its 1980 level. The greatest increase was in the area of plant and equipment, where the total was 6.4 billion dirhams (compared to 5.5 billion in 1980) and whose contribution to the overall level was 40.8 percent in 1981, compared to 37.2 percent in 1980.

That "good behavior" by gross fixed capital formation is confirmed by developments in investments authorized by the government, which totaled 1.6 billion dirhams, compared to 1.4 billion in 1980. All industrial sectors benefited from an increase with the exception of the engineering and electrical industry, whose authorizations were down by 4.3 percent for a total of 224.9 million dirhams (14 percent of the total). Notice should be taken of the 18.3-percent increase in authorizations for the chemical and paracheimical industry, which totaled 675.5 million dirhams (42.2 percent of the total).

The textile and leather industry continued to occupy an important position at 420.3 million dirhams (26.3 percent of the total), an amount that is up by 9.7 percent over the year before.

#### SNI Subsidiaries in 1981

Despite an unfavorable economic situation marked primarily by the drought, the SNI was able, by dint of certain efforts, to continue its development. Overall, it can be said that while some sectors were hard hit by the slump (as was true of the commercial sector in general), others recorded satisfactory results that enabled your company to achieve the objectives it chose in 1980.

The subsidiaries carried on their activities differently depending on the sector in question. Various measures were adopted by the subsidiaries to deal with this difficult year and to prevent their operating results from feeling the effects of the situation.

The cement and building materials industry achieved good results on the whole. The cement plants in the Lafarge, Asmar, and Agadir Cement group experienced a good fiscal year: the planned tonnages were achieved and even exceeded, with the result that the distribution of a sizable dividend is possible.

The Asmar Company showed a profit for the first time. This was due in part to its mastery of technical problems and in part to the price increases decided on by management. The result for the fiscal year was a profit of 6,429,000 dirhams, thus allowing the company to distribute a dividend of 10 dirhams per share for the first time since it was established.

Moreover, to avoid repeating in the future the technical errors of the past, the company launched an investment program aimed at replacing the defective crusher and thus preventing the stoppages that have caused substantial losses.

With a profit of 10,972,000 dirhams, the Lafarge Company will distribute the same dividend as in 1980. Since 1979 the company has pursued a cautious dividend policy (below the 12 percent allowed by the government), the purpose being to cope with the sizable investment program now underway to build a new 1.2-million-ton unit that will cost an estimated 740 million dirhams. Half of its financing is being provided by Lafarge-Morocco, with the rest coming from private Moroccan and foreign capital.

The Agadir Cement Company closed out its fiscal year with a profit of 7.3 million dirhams, and it will therefore distribute a dividend amounting to 12 percent of the stockholders' equity. That high-performance cement plant intends to carry out in stages an expansion program that will enable it to supply the entire southern region. Incidentally, the company has also been supplying the Saharan provinces for the past 2 months.

CADEM suffered the effects of two factors: competition from other cement plants (basically the CIOR) and the setting of unprofitable prices by the authorities. The results were even worse than in 1980, and fiscal 1981 is the first year in CADEM's history for which a dividend will not be distributed.

The SNCE had a good year in 1981. Its turnover of 130 million dirhams represents a 100-percent increase over 1980. The result was a profit of 5.3 million dirhams, making it possible to distribute a dividend of 10 dirhams per share.

Except for its cash problems, which are related to nonpayment by certain organizations, the company has solved all the problems it faced during the difficult period from 1979 to 1981. And the prospects look even better, since the company's order book is sufficiently filled and a very sizable workload is scheduled as part of the 1981-1985 plan.

In the food industry, all of the group's companies will distribute a sizable dividend. The Morocco Breweries firm shows a profit of 9.2 million dirhams. Although the dividend of 16 dirhams being recommended to the stockholders is slightly below last year's, it reflects increased capital. The same is true of the Branoma Company, even though its results were not as good as those for fiscal 1980.

The Lesieur group experienced satisfactory activity in 1981 with a turnover of 221,748,000 dirhams and a net profit of 4.3 million dirhams. The Lesieur-Africa Company is keeping its dividend at the same level as last year despite a difficult economic situation and increased capital.

The Lesieur Financial Company's results were less brilliant, since its main subsidiary--CICALIM--continued to suffer the effects of the overall situation in poultry breeding. Thanks to the company's good net situation, however, it was able to keep its dividend at the 1980 level.

The Carnaud Company increased its turnover from 185 million to 220 million dirhams and its profits from 3.4 million to 4.3 million dirhams. At the same time, however, it has chosen a cautious dividend policy. The dividend has been limited to 10 dirhams per share to provide the company with the necessary self-financing for carrying out its planned investments.

Developments in the mining and chemical industry were very uneven. The CMT, which had distributed a dividend of 150 dirhams for every share of 100 dirhams for 2 years in a row, was forced to limit its 1981 dividend to 80 dirhams per share because of a drop in lead prices. This nevertheless reflects good performance, because it is based on capital of 24.75 million dirhams, meaning that in absolute terms, the SNI will collect the same amount as for 1979 and 1980.

The SCE's turnover was down slightly--from 141 million to 133 million dirhams--because of the drought, which slowed demand for fertilizer considerably. Profits made it possible to distribute a dividend of 7.50 dirhams for every share of 50 dirhams.

The Zellidja Company continued to experience serious difficulties related in part to activity by its subsidiary, the CMIM, and also in part to the country's general economic situation. The recovery effort is currently underway both at the Zellidja group level and within the CMIM itself. Participating in that effort are the main stockholders as well as certain financing organizations.

The General Tire Company, despite a higher turnover (which rose from 140 million dirhams to 150 million dirhams), showed a lower profit than in 1980, but the dividend distributed to stockholders will be roughly the same as the year before.

In the commercial sector, all our companies adjusted to the poor economic situation.

The COMAMETO Company improved its turnover and results very considerably, since the recommended dividend is even higher than for the previous year (14 dirhams per share, compared to 13 dirhams the year before).

The Fenie-Brossette Company regained its equilibrium following the difficult period in 1979 and 1980.

Lastly, the Technical Equipment Company, with a turnover of 16 million dirhams, compared to 13 million in 1980, is moving toward profitable results similar to those it enjoyed 3 or 4 years ago.

The financial sector recorded good results. Dividends are roughly the same as those paid in 1981.

In the assembly sector, the Renault-Morocco Company had a turnover of 335 million dirhams, compared to 266 million the year before, and its profits rose from 1.7 million to 2.4 million dirhams. The dividend is in the demand for and quality of the product [as published; copy may be missing].

Berliet-Morocco's results were roughly the same as those for the previous fiscal period, with a higher turnover despite the difficult economic situation and the weakness in demand resulting from the drought. The dividend will be the same as in previous years.

Overall, the group's companies adjusted to the relatively difficult economic situation affecting the country. The results achieved by the SNI in 1981 lived up to the initial forecasts or even exceeded them. With a net profit of 19,716,662.08 dirhams, the company is recommending that the dividend be the same as in 1980--that is, 9 dirhams per share. The company was also able to keep up with the various increases in capital in its subsidiaries without calling on its stockholders and to continue its promotion efforts.

11798

CSO: 4519/218

MOROCCO-FRANCE COOPERATION NOTED

Rabat ALMAGHRIB in French 16 Jun 82 p 3

[Text] Rabat (MAP)--As part of the agreement for cultural and technical cooperation between France and Morocco and in order to periodically evaluate the program of cooperation for strengthening the policy of decentralization, the mixed group for specific cooperation in local communities met in Paris on 3-4 June 1982.

This committee is composed of representatives from the French Ministries of the Interior, Foreign Affairs, Agriculture, Economy and Finance and Moroccan representatives from the Ministry of the Interior: Mr Rachidi El Rhezouani, director of local communities; Mr Toualali Driss, director of rural affairs; Mr Birouk Mohamed, director of training of technical and administrative professionals and technical field professionals.

The agenda of this committee's proceedings basically concerned the following items: 1. Report and evaluation of current program; 2. International Institute for Local Communities (Morocco); 3. Extension of cooperation to technical and economic areas.

The examination of this agenda was preceded on 1 and 2 June by meetings for selecting engineers and architects to provide services in Moroccan local communities.

Following a detailed examination of the agenda, the program's development was judged satisfactory by the mixed group.

Concerning the present program's implementation, both sides stressed the need for its acceleration.

In addition to strengthening current measures, both sides agreed on reorganizing cooperation for the benefit of local communities by giving it a new dimension combining the technical and economic aspects of their development.

In view of the value of the program of cooperation for local communities as an example, the French committee members expressed their desire to contribute to the development of the International Institute for Local Communities, a unique example of structuring the training of community professionals and a forum for all categories of local, national and foreign elected officials. The discussions were held in a climate of mutual understanding and cooperation, demonstrating the intentions of both sides to implement the planned program while enriching and diversifying it.

11915  
CSO: 4519/219

MOROCCO-POLAND COOPERATION NOTED

Rabat ALMAGHRIB in French 16 Jun 82 p 2

[Text] Warsaw (MAP)--The POLISH PRESS AGENCY (PAP) reported on Friday that Poland attaches great importance to developing its relations with Morocco and North African countries, as Polish Foreign Affairs Minister Josef Czyrek stated on 25 March in his speech to parliament in regard to current foreign policy tasks.

Recalling that cooperation between Morocco and Poland has broadened in political, cultural and scientific areas, the agency noted that in the economic sector, Morocco ranks second among Poland's partners on the African continent, with a mutual trade volume exceeding \$100 million annually.

The agency added that Polish-Moroccan trade is characterized by faster growth of Moroccan exports to Poland in comparison to Moroccan imports from Poland. This is due to the Polish demand for Moroccan phosphorites, it said.

Poland is interested in increasing and diversifying its imports from Morocco, as demonstrated by its increasingly larger purchases of citrus fruits, cotton goods, synthetic fibers and canned fish. Other Moroccan products would also be welcome on the Polish market, such as vegetables, fish, wine, textiles, handmade articles, etc., but PAP believes that would require quickly establishing the conditions for a complete mutual trade balance.

PAP also noted that the establishment of semipublic corporations is a larger and larger economic activity in cooperation between Poland and Morocco.

The most advanced form of Polish-Moroccan cooperation is in the chemical industry. On one hand, Poland buys large amounts of phosphorites, and sometimes even phosphoric acid, from Morocco and, on the other, contributes to the Moroccan chemical industry's expansion by providing it with local processing of its own phosphorites.

Regarding scientific and technical cooperation, which consists of sending Polish experts to Morocco, granting scholarships for study in Polish secondary schools and providing various types of scientific-technical services, the agency noted that this sector is developing beautifully as part of Polish-Moroccan relations. PAP concluded by noting that the scientific-technical services provided by Opolservice, the foreign trade enterprise, is a form of cooperation with very broad prospects for the development of Moroccan urban communities and for topographical studies.

11915

CSO: 4519/219

SECOND LOAN AGREEMENT SIGNED WITH EEC

Rabat ALMAGHRIB in French 12 Jun 82 pp 1, 6

[Text] Brussels (MAP)--The second financial agreement between the Kingdom of Morocco and the European Economic Community was signed in Brussels on Wednesday.

This agreement, involving the amount of 199 million ecus (1 ecu = about 6 dirhams), was respectively signed by Mr Zine El Abidine Sebti, the ambassador of his majesty, King Hassan II, to Brussels and chief of the kingdom's representation for the European communities, on behalf of Morocco and by Ambassador Noterdaeme, Belgium's regular representative and acting chairman of the committee of regular representatives, on behalf of the EEC.

Goal: Diversification of Economic Structures

By concluding this new agreement, Morocco and the EEC have reaffirmed their intention to implement cooperation contributing to Morocco's social and economic development and favoring the strengthening of their relations. Both sides expressed their desire to continue for this purpose the financial and technical cooperation provided for in the agreement.

Therefore, and for a period of 5 years from the expiration date of the first agreement, or until 31 October 1986, a total amount of 199 million ecus can be allocated. As in the first financial agreement, the forms of aid granted by the EEC are loans from the European Investment Bank (EIB) from its own resources (90 million ecus), loans with special conditions and nonrepayable aid respectively granted in the amount of 42 and 67 million ecus from the EEC's budgetary resources.

It should be noted that the bank loans, with certain exceptions, will have interest rebates of 2 percent.

The total amount of 199 million ecus will be used to finance or help finance investment projects concerning Morocco's economic infrastructure and production and in particular to promote its industrialization and technical modernization in preparation for or to supplement investment projects and technical programs in the area of training. It is also planned that 1 year before the agreement expires, Morocco and the EEC will examine the provisions which could be considered for technical and financial cooperation for a possible new period.

Before being put into effect, certain procedural stages will have to be completed, in particular consultation with the European Parliament in the case of the EEC. The agreement will become effective on the first day of the second month following the date on which both parties are notified of completion of the required procedures.

It should be recalled that the first Morocco-EEC financial agreement was concluded at the same time that the Morocco-EEC cooperation agreement became effective on 1 November 1978, involving the amount of 130 million ecus.

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## BRIEFS

MOROCCO-EEC NEGOTIATIONS OUTLINED--Negotiations concerning textiles were just held in Rabat between an EEC delegation and a Moroccan delegation composed of professionals in the sector in addition to government officials for the industry. These negotiations concern the renewal of AMF [expansion unknown], but they were held under especially worrisome circumstances .... The protectionist measures adopted in 1979 by Common Market countries to preserve their producers' interests are causing more and more concern in Morocco, which is considered one of their major trade partners in Africa. Rabat believes that such concern is particularly warranted since Spain, Morocco's principal competitor in European markets for agro-industrial products and textiles, is preparing to join the EEC. This week the national press stressed the need to find a "political solution" to prevent the obstruction of trade between Morocco and the Common Market. "It is not a question," the press stated, "of the EEC extending charity (to Morocco). It is a matter of respecting a right, including its own interests as well, for if Morocco can no longer sell to the EEC, it is obvious that it will no longer be able to buy anything from it. The problem is one of mutual interest." After recalling that the protectionist measures adopted by Europe constitute a violation of the agreements made in 1976 with Morocco, Mr Ahmed Alaoui said that "the solution must be political, since the 1976 cooperation agreement constituted for both parties an economic commitment, of course, but also and above all, a political commitment. Now that Spain is preparing to join the EEC, words and actions must be in agreement." [Text] [Rabat ALMAGHRIB in French 16 Jun 82 p 1] 11915

CSO: 4519/219

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

MINISTER OF INDUSTRY DISCUSSES INVESTMENT, DEVELOPMENT STRATEGY

Aden 14 UKTUBAR in Arabic 7 May 82 p 3

/Interview with Minister of Industry 'Abd-al-Qadir Ba Jamal by 14 UKTUBAR;  
date and place not specified/

/Excerpt/ Domestic industry in our country, its concerns, its problems, its future, are questions that are raising themselves constantly because of our late entry into the world of industry, which has increased the complexity of these matters.

Until industry becomes consolidated, leaving behind firm industrial traditions, the first step will remain the most important one as far as the future and the developments it entails are concerned.

We went to our comrade 'Abd-al-Qadir Ba Jamal, bringing a number of topics which may in turn give rise to questions about our industrial experience, with its positive and negative features, the problems of industry, the treatment of these problems, and the oil industry and its future. In his turn, our comrade the minister offered convincing answers to the questions and problems.

/Question/ How do you view the future of industry in Democratic Yemen, in the light of the experience of the past and the facts of the present?

/Answer/ At the outset one must say that our past experience in industrial development was experience which was in its initial stages, that is, an experience which sought to implant a technical base and provide productive powers in terms of competence and ability to absorb a new, modern pattern for the economic and social structure.

Industry, in general, is an expression of aspirations toward the future, with its new vision and its deeper, more penetrating horizons of a vision of the future.

In the circumstances of Democratic Yemen--as is the situation with the circumstances of developing countries whose conditions are similar to those of Democratic Yemen--the process of making early forecasts of industrial development is not a mechanical issue in which purely arithmetic and mathematical processes can take place, as in the advanced industrial countries, which have a developed technical material productive base and integrated economic structures. These elements, that is the

technical material base and economically and socially integrated structures, are to be considered basic conditions for economic and social development, not to speak of the process of industrial development, which is considered to be more complex than any other form of development.

Therefore we can state that at the beginning of the experiment, from the 3-year plan to the first 5-year plan, we were finding our way toward the establishment of a clear framework for economic development in the industrial sector.

However, this framework continued to be plagued by a group of obstacles. These obstacles lie in the fact that the productive sector, in general, such as the primary production sector in agriculture and fishing, was not sufficiently developed, to the point which would permit great progress to take place in the sphere of industrialization.

In another area, the general economic structure of the domestic economy in the periods of the 3-year plan and the first 5-year plan remained unintegrated and heterogeneous, that is, it was a structure that did not offer the objective and technical conditions for successful industrial economic development. One of the most conspicuous things that industry requires is that there be basic materials: raw materials as a basic condition, a level of development of a productive force that is capable of assimilating a reasonable amount of technology in balanced conditions of development in Democratic Yemen, then structures which will permit unobstructed efficiency in the process of economic development in the sector of industry, that is, the existence of ports, roads, storage facilities, distribution channels and other basic economic structures in terms of services to accompany this industrialization, such as electricity, water and sewers.

In the realm of a more comprehensive social vision, industry means a society that can absorb this new development. That is, the behavior of society and society's life pattern, including its personal life, should also be able to function in an orderly manner so that it will be able to keep up with the industrial development process. Consequently we state that industry made its first start in the context of unfavorable, incomplete circumstances.

Certainly, in such circumstances, the industrial development process becomes very complicated and complex. However, we have no choice but to begin. And, in truth, the beginning has taken place.

The beginning was difficult and hard, but it was necessary.

We viewed this issue from the standpoint of economic thought, on grounds that it was a matter of a bold frontal attack, because, if the economic development process is subject to severe mechanical criteria, we would not have ventured to achieve anything in this area. However, the political orientation is apparent. In the light of this apparent political orientation, and in the light of ideological vision and a deep understanding of the course of the general radical democratic transformations, and for the sake of implanting and rounding out the tasks of the stage of democratic national revolution, with its socialist dimensions, talk about industrial development becomes a necessity concomitant with the process of construction in this serious phase of economic and social transformation.

In spite of all the difficulties, the initiative was taken to construct a group of factories. At that time we were aware of the possibility that errors might be made, some large and some small. However, we were certain that it was natural that any new activity, in every sense of newness, in the circumstances of a society in transition from precapitalist relations, would face these difficulties and problems, some of a serious nature.

We were certain that in the course of construction we would correct the processes in our movement when we discovered that these processes could not bring us to specific, clear goals.

This has in fact been done, in the course of serious stages of evaluation which the party led most boldly and clearly. This, in my estimation, is to be considered one of the distinctive features of our experience, not just in the industrial sector but also in various economic ones.

Some factories have been built. Some of them have realized successes and have continued to realize constant successes up to this day, while some are facing difficulties, though their operations have been corrected and they have yielded good results, and some are still suffering from intrinsic difficulties which are not leading to success.

From the standpoint of looking to the past, our experience there is opening windows toward the future before us.

#### Positive Signs of Industrialization

However, it is important to point out here that in spite of all the circumstances we have referred to, the successes of the first 5-year plan are not insignificant. Rather, they have given exceptional results, especially in the sector of industry, and have provided rates of growth that exceeded expectations.

In the years 1974-78 total production in industry increased by 167 percent in current prices. This is a great increase, in our estimation, when compared with the status of industry in the years of the 3-year plan, and it is to be noted that in 1979 the industrial sector increased by 20.4 percent over its level the previous year.

The sector's contribution to national income was about 13 percent in 1979. In the second 5-year plan, we expect that industry's share all in all will increase to about 24 percent.

The industrial sector consists of light industries, electric power production and oil and mining activity.

The most important element in the oil and mining sector is the refinery. As far as its production operations up to now are concerned, its conditions have developed in an unusual way; from 1 May 1977 it had only 600,000 tons to refine, but this year we expect that its refining capacity will reach more than 4.5 million tons.

## **The Future of Industry**

A look at the future means a look at what actually in reality exists today. What exist now in the light industry sector are four specific sectors:

The textile and leather industries sector.  
The chemical industries sector.  
The machinery and mechanical industry sector.  
The food processing sector.

These sectors comprise about 52 public, mixed, cooperative and private sector factories.

We view the development process from the standpoint of specific integration in each sector separately. Unfortunately, the ministry lacks integrated, comprehensive studies on these sectors.

When a start was made on the textile mill and the various readymade clothing factories, the process of sectoral interaction in the cotton crop production sector was not studied in a proper fashion. To avoid succumbing to certain errors, we are intending to make great investments to study the cotton sector as a whole, including the economics of cotton farming itself in Democratic Yemen, then cotton processing in accordance with market requirements and demand factors.

The same is the case with respect to other factories, for instance the chemical industry, for instance plastics, galvanizing, rubber industries and so forth.

It is through vision that the future becomes apparent, and it is through these comprehensive studies of this context that we will function, because, unless we take a comprehensive view, we will not be able to develop industry in a scientific manner. We cannot content ourselves with enthusiasm alone in carrying out the industrial plans, because enthusiasm alone is not enough. Rather, it is necessary that we have this clear, specific vision.

This is as far as the future which we are looking toward in the case of industry is concerned. There is a great possibility that the textile industry will be developed in a comprehensive manner, and the same is the case with chemical industries.

It is also essential for us to develop the machinery and mechanical industries, which meet a basic demand for consumer appliances and the necessary machinery and equipment for the construction sector.

There is a sector which it is important to note, and that is the construction sector. Industry, in this field, is still in its initial stages. We intend to establish a cement, marble, stone, lime and gypsum industry and we are also studying a group of alternatives, to choose the best one in order to carry this job out.

The food industries sector, in my estimation, has made reasonable progress. Of course this sector is in constant contact with agricultural output, is yielding good output for the factories that now exist, and the consumers are happy with it,

as with the cigarette, beer, carbonated drink, dairy, tomato and vegetable oil industries. The coming year will bear witness to production in automated bakeries.

### The Strategy of Industrial Development

/Question/ Do you have a plan to develop certain factories which the situation requires be built in technical terms? What are these?

/Answer/ Some factories were started with simple, nonhomogeneous techniques in our country. Some of them are old and some of them consist of a combination of various activities in the form of workshops. They have remained confined to the technology which was appropriate to the resources of the productive force at that time.

Today we are looking at the need to develop these factories in a more up-to-date manner. For example, the metal equipment (aluminum) plant to produce household equipment dates back before World War One.

The Revolution Spare Parts Plant consists of a workshop which has assumed the character of industrial operations.

The agricultural machinery plant was founded on the bases of a simple technology and it is not sufficiently economic in terms of diversity of production patterns.

There is a group of plants which are also new but because of a shortage of experts a technology was chosen for them which is not suitable and embraced a vision which was not clear at that time, for example, the tomato plant and the factories in the textile sector. Therefore we are looking toward a process of technological development in these plants from a number of standpoints.

First, the attainment of integration among these plants, in terms of the creation of clear specific specializations in their activities, through which we will be able to establish and train competent industrial workers who will develop their proficiency and acquire skills every day.

Second, to ensure that the development process is not just a solution to current problems, which is a simple, easily-attained matter; rather, it must respond to the demands of the future and developments and variables in production patterns and new demand which developments in other sectors create in general. I will give a simple example, with respect to the al-Thawrah Spare Parts and Agricultural Machinery Plants. There is a large possibility that the conditions in the two plants will be restudied in order to enable us to function with greater competence; in spite of their current circumstances, they were considered among the best plants last year, because we worked to diversify the production pattern in them. However, there is greater room for broader diversification.

The same is the case with the household metal appliance plant. When we think about developing that, requirements also demand that we think about the position this plant occupies.

What basic, essential changes are in keeping with new technology and with new consumer demand?

Another example is the tomato plant, which works just 4 months a year. We consider it necessary to think about getting this plant to work throughout the year with other alternatives.

The process of modernizing plants before starting with new factories is important. In the modernization process, we can create new production lines in these plants without having to construct new plants with new designations. This is what we are aiming toward: to give the word "factory" true meaning.

#### Development of Technical Competence

/Question/ What are your ministry's ideas in the realm of developing workers' mental abilities and skills?

/Answer/ Man, as it is said, is the most valuable capital. This is a fact in a society seeking to build a solid productive economy which will be a basis for future development toward the construction of socialism. This aspect must be given special importance.

Industrial workers are the main force in the movement of the working class, which is historically qualified to lead society.

There is no argument that this point has been given special attention by the party and the government. Technical institutes and technical training centers have been erected for this purpose.

In the industrial sector, this issue holds maximum, basic importance, because if we are talking about modernizing technology we must talk about modernizing human knowledge and developing human mental abilities. One cannot ignore this issue in this field.

We rely on various methods in the training process, including the organized ones, that is, the preparation of personnel through institutes and training centers and on the job training in the same sector, that is, provision of a minimum of conditions in terms of the preparation of workers upon the construction of new plants. We ordinarily require the bodies providing the technology to take charge of the training process domestically and abroad.

Every year we hold a group of training courses for industrial leadership personnel in which we deal with solutions to important questions involving the management of the domestic economy, such as project evaluation, cost accounting, warehouse organization, production and quality oversight and the flow of work.

We also carry out direct occupational training through training centers in the same installations, for example the General Electric Power Authority and the Aden refinery, in addition to direct specialized courses in specific technical subjects through which we are trying to raise the workers' competence.

We feel that we need to increase efforts in this field, especially with respect to making maximum use of foreign agreements and protocols with the countries and specialized organizations and institutions which have expertise in this field.

We have a central annual plan which the ministry's Department of Personnel supervises.

We also have subsidiary plans involving the training process which the plants must carry out, especially in the textile and leather industries and those industries which require certain special skills.

We resort to prior practical training in the case of workers whom we expect to join the industrial sector who are new Faculty of Economics graduates. We have a joint program for application in factories for new graduates (fourth year in the Faculty of Economics).

We admit about 30 people a year for whom a research and applied program is prepared in order to narrow the gap between theory and application and grasp the tangible problems which industrial installations are suffering from, so that when they go to work they will not be strangers in their field.

We have developed this approach by signing a protocol for cooperation between Aden University and the Ministry of Industry which entails not just training and accreditation goals but also involves the field of cooperation between scientific research and application in a manner serving the university's assimilation into the development process and society in general.

#### Eliminating Some Leftover Goods

/Question/ Comrade minister, some plants have been suffering from excessive inventory accumulations because a number of similar products have been seeping into our markets. Now, after successful campaigns have been waged to combat smuggling, does the ministry have a chance to develop some existing products in terms of quality and quantity? Is there coordination between your ministry and the Ministry of Trade to make use of the protocols which have been reached with some friendly countries for the export of our products?

/Answer/ What is known as the problem of unmarketed production is a feature of capitalist relations. As we are advancing toward new relationships, this sort of phenomenon is supposed to disappear.

This is because its disappearance is dependent on success in the process of the economic planning of production and marketing activities. All success is contingent on having the planning completely master the economic situation. This is what has been taken into consideration in the second 5-year plan.

Since our society is plagued by certain problems which are the residue of old relationships, such a phenomenon can appear but it will not endure, because of the progressive regime's ability to create means to restrict it and eliminate it.

It should be noted that when we faced the problem of accumulated inventories we were not wholly proficient in explaining the production and marketing process; consequently one can say that as long as we control foreign trade, which is the basic key to independent economic construction, this issue will not elude our grasp, and

one can actually say that this has been eliminated through the performance of complete coordination between industry and trade and a common understanding of the importance of devising means to dispose of production, not through mechanical administrative measures but by measures that accommodate the given facts of the economic situation and the circumstances of the market.

On one hand, the problem has been overcome by applying the decree of the Central Committee's eighth session to get the factories to market their production on the market directly, that is, to get the factories to feel out demand problems and taste and earnestly work to make their output conform in terms of quality and quantity and on economic foundations, in order to guarantee that their production and marketing plan is carried out.

The process has succeeded to a great extent. Today we have no factories with accumulated production inventories, as we have coped with the problem of smuggling, which in reality must be considered a process of sabotage, not just in the circumstances of a planned economy but even in those of a spontaneous economy governed by undisciplined market relationships, and a phenomenon that is to be fought with every means and in every circumstance.

It should be noted that the commercial private sector has done great damage to the private industrial sector, and the latter has not been able to resist much. Some private factory owners have thought of shutting down their plants. What has continued to persevere in the face of this wave of sabotage has been the public sector.

Nonetheless, our measures to combat the phenomenon of sabotage have been stringent and proper. This process must be watched very intensively because that is in the context of a modern industry which is no more than a few years old that cannot persevere in the face of extensive smuggling activities, no matter how strong and solid this industry might be, because smuggling does not just damage domestic industry, it also damages the government's revenues in general and sabotages the national economic plan in numerous fields, even in commerce itself.

As for the actual state of affairs today, the factories have transcended this problem. Some of them are suffering from an inability to respond to increasing demand, but, by the same approach, with a full sense of responsibility, we feel that we must not just increase production but must also improve production quality.

What has appeared obvious recently in the products of some factories, in terms of diversification and keeping up with consumer desires, is a tendency which will continue to stand as one objective of economic development which is basically linked to the development of the conditions of existing plants, as was already discussed.

As far as benefitting from commercial protocols for export purposes goes:

It is certain that the goal of industry is not just to satisfy the needs of citizens domestically but also to devote attention to export activities, especially in the context of the tight market conditions in our country.

We attach great importance to expansion of the Yemeni market, in a manner which will allow for the streamlining of industrial production between the two segments /of Yemen/. This is a great possibility in view of the interests this will satisfy in developing industry and offering broader opportunities for marketing industrial products in the two segments, and also in countries with which we are linked by commercial relations and trade.

This is an important issue. We have sought to participate in more than one international exhibition. We have also set up foreign exhibits covering domestic industry which will help to acquaint people with it and create appropriate circumstances for the penetration of new markets.

We have actually begun serious attempts to market some industrial products in the Gulf, Djibouti and east Africa. We are striving to conclude agreements with some socialist countries. There is no argument that the subject of exports is a very complex matter, because one of its most important conditions is that domestic industry be given relative advantages which will enable it to compete, if it has reasonable quality which will make it possible to create consumers for this sort of product.

/Question/ Investment opportunities have become possibilities for our development, because of a clarity of vision, especially with the issuance of the new law encouraging investment.

Is there a specialized body in your ministry which provides economic feasibility studies on projects to facilitate the promotion of those projects whose feasibility is established, in order to create investment opportunities?

/Answer/ The investment law is a new one and it is now comprehensive, in comparison with the previous one. There is a new feature in this law, since it provides greater specific details on the relationship between the investor and the overall economic and financial system in the country, in accordance with conditions for investors in which care is taken to give them confidence. In addition, it does not confine the investment process to a specific sector, but does set out standards for this process, in keeping with three goals:

1. Investment must be a factor which helps the economic and social development process in the framework of the government's central plan.
2. It must have the goal of strengthening the government sector by getting this sector to help create the mixed sector. The law stipulates that Arab and foreign capital must lie within the framework of the mixed sector.
3. Encouragement of domestic capital to perform its duty relative to the economic and social development process in Democratic Yemen, giving preference to people presenting applications for investment in the mixed sector. However, as far as domestic capital goes, this does not mean that agreement will not be given to accept private projects whose goals and objectives the government spells out in the context of the bases of the law.

The law provides a group of exemptions, benefits and guarantees for investors, whether in terms of protection of domestic investment and the provision of suitable circumstances, or in terms of guaranteeing profitability in the first years after the project is established. On some occasions the exemption period may go to 5 years, and sometimes this is 2 years.

The exemptions include numerous aspects, including exemptions from customs duties for equipment and raw materials, exemptions from production taxes, and exemptions on incomes. These are all governed by specific rates on which the higher investment committee makes decisions when it accepts investors' applications.

As far as the Ministry of Industry goes, this is the ministry which deals the most in the sphere of investment, whether by establishing mixed or private factories. We have a good nucleus for providing aid and assistance to investors as far as the provision of information, data, demand projections and technical advice goes, so that investors may be confident of the soundness of their investment decisions.

We can also provide assistance in setting out initial studies. We have a number of preliminary studies which we actually offer to anyone asking the ministry for information on certain industries which we consider must be established and in which the private sector must take part.

Finally, we have observed that there is receptivity on the part of domestic and expatriate capital to conduct investment activities in the country, and we have set forth a group of rules so that /text ends at this point/

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CSO: 4404/558

QATAR

BRIEFS

FOREIGN PUBLICATIONS REGULATED--Doha, 15 Jul (WAKH)--The amir of Qatar issued a decree today regulating the issuance and distribution of publications and bulletins by diplomatic missions, bodies and consulates accredited to Qatar. Foreign missions and bodies cannot issue or distribute any publication or bulletin without prior written permission from the Publications Department of the Qatari Information Ministry. [GF151345 Manama WAKH in Arabic 0550 GMT 15 Jul 82 GF]

CSO: 4400/371

PAPER CRITICIZES LACK OF SOVIET SUPPORT FOR ARABS

PM161051 Riyadh AL-JAZIRAH in Arabic 13 Jul 82 p 3

[Editorial: "Maybe the Arabs Will Learn These Hard Lessons"]

[Excerpts] It is true that the United States is directly responsible for what has happened and is happening in Lebanon because of the armed Israeli invasion and the barbaric crimes Israel is committing there with sophisticated U.S. weapons, but it is also true that the Soviet Union is just as directly responsible as the United States, for it is the superpower that claims friendship with the Arab countries and alleges support for Palestinian rights and the Palestinian revolutionary struggle against the Israeli occupation and for legitimate rights.

Never in its support for the Arab side has the Soviet Union matched the U.S. support for Israel in the Middle East conflict. Even Arab friends of the Soviet Union, foremost of which are the Palestinians, were disappointed and angry at its reluctant stand on the barbaric Israeli invasion of Lebanon and the Israeli conditions to end this invasion, foremost of which is to liquidate every aspect of the Palestinian presence in Lebanon.

The Arabs were greatly disappointed by the Soviet Union and this disappointment was particularly felt by its Palestinian friends who criticized its weak stand during their crisis in Beirut as they were facing the danger of annihilation after they were tightly besieged.

Moreover, the Soviet Union has not once declared its views regarding the Israeli conditions to end the siege and the occupation of Lebanon, most important of which is the departure of all the Palestinians from Lebanon without their heavy weapons. The Soviet Union has not made its view known to world opinion regarding this matter nor has it announced any steps to share with the United States its role in dealing with the Lebanese crisis rather than leaving it to deal with the situation exclusively on the basis of its main and firm principle of bias toward Israel and seeking to solve the Middle East crisis according to Israel's conditions and demands.

Six weeks have passed since the beginning of the crisis and the Soviet Union, as a superpower, appears to the Arab world in particular and to the world in general as if it is not concerned with what is happening in

Lebanon or as if it has decided to abandon its responsibility as a superpower for world peace and security just as it has decided to abandon his Arab friends, particularly the Palestinians, who are in a predicament involving their existence as a force resisting foreign occupation of their country and a people demanding to return to that country.

The Soviet Union has always shown the desire to have a tangible presence in the Middle East, sympathized with the Arab cause and given political and diplomatic support to the Arabs, but its military support has never reached the same degree as the United States' support for its friend and ally Israel.

We are not asking the Soviet Union to do what is beyond its capability, yet we do not want some of us to be deceived by its empty political slogans resounding in the international arena in order to make world opinion believe that it is the only superpower that has devoted itself to serving and supporting the peoples in their struggle for their rights.

The crisis of the Israeli invasion of Lebanon and the danger menacing the Palestinians as a result of it has exposed the fallacy of those slogans and shown that they are devoid of any meaning, a fact which makes reliance on Soviet aid and support in conditions such as those now existing in Lebanon a serious adventure and a grave risk.

Perhaps all the Arabs will learn the hard lessons not only from the falsity of Soviet slogans or the U.S. bias toward Israel, but also from the fact that the catastrophes threatening them are the result of the absence of their solidarity, cooperation and joint action to defend their fateful cause in the face of this ferocious Israeli attack on Lebanon.

CSO: 4400/384

## SYRIA

### SYRIANS MEET WORLD JOURNALISTS UNION DELEGATION

JN260810 Damascus Domestic Service in Arabic 0415 GMT 26 Jul 82

[Text] Talks took place in Damascus last night between the Syrian press syndicate side headed by Dr Sabir Falhut, president of the syndicate, and a delegation of the World Journalists Union headed by Iliya (Tadavenov), representative of Bulgarian journalists.

The discussions dealt with the latest developments of the Zionist invasion of Lebanon. The president of the Syrian press syndicate stressed Syria's firm principles stand on our nation's central issue and continuing the steadfastness and sacrifices for the sake of the Arab nation's honor and dignity. He said: Syria and all the Arab masses will not accept anything short of liberation of the occupied Arab territories and restoration of the full rights of the Palestinian Arab people. He also stressed that the Palestinian resistance must remain steadfast in its present positions and must not leave these positions except to go to its homeland--Palestine.

For its part, the World Jurists Union delegation affirmed the solidarity of 150,000 world journalists with the steadfastness of Syria and the Palestinian resistance in the just struggle which Syria is leading against U.S. imperialism, World Zionism and agent reactionaries.

The World Journalists Union delegation's visit comes as a factfinding mission concerning the Zionist aggression on Lebanon to liquidate the Palestine question and undermine Syria's steadfastness. During its visit to Damascus, the delegation will meet with several Syrian officials and Palestinian resistance leaders and visit the wounded among the men of our heroic armed forces, who set the best example as courageous strugglers of the Arab nation throughout its glorious history.

CSO: 4400/389

## SYRIA

### ISRAELI, U.S. PRESSURES FAIL TO WEAKEN SYRIA

JN250732 Damascus Domestic Service in Arabic 0630 GMT 25 Jul 82

[From "The Press Review"]

[Text] AL-BA'TH newspaper says: It seems 50 days after the continued Zionist invasion of Lebanon that the game of the Israeli military pressures and the U.S. political pressures, which is carried out alternately, to gain the fruits of invasion is losing its efficiency and feasibility. The battles on the second day of 'Id al-Fitr and yesterday's heroic confrontation of the enemy's air force confirm that the Zionist military rashness has failed to soften the Syrian stand. On the contrary, Syria's answer was decisive whether militarily on the front extending from Mount Hermon to Sannin or politically by reiterating Syria's firm stand to the U.S. envoy whose mission is dying. Some U.S. circles are even talking about the failure of the mission and the need for finding another alternative.

In light of all this, we can stress that they have failed to prevent Syria from countering the invasion, effectively and efficiently. Syria is now taking initiative contrary to all their dreams. The cohesion of the triangle of the Syrian-Palestinian-nationalist Lebanese steadfastness has turned into a fateful relationship and the sacrifices on the different axes of fighting in Lebanon stress to the Arab masses that Syria and the Palestinian cause are two faces of the same coin. No suspicious attempts can affect these facts.

The paper adds: The entire world now admits that Israel no longer controls the situation whether politically or militarily. The bestial genocide practices have failed to achieved any of the enemy's objectives in Lebanon. Furthermore, Israel can no longer control the decision of a war of attrition which is imposed by the Syrian, Palestinian and Lebanese fighters. This decision will turn the present war into Israel's biggest defeat.

CSO: 4400/389

## SYRIA

### BRIEFS

USSR AID TO SYRIAN ARMY--London, 26 Jul (Exclusive)--In the last few days the Soviet Union has stepped up its arms shipments to Syria. British reporters have said that the funneling of Soviet arms to Syria came as a reaction to the Israeli attacks on Syrian positions in the Al-Biq'a Valley. These shipments include dozens of Mig-21's and MiG-23's intended to replace the 80 aircraft Syria has lost in the fighting against the Israeli Air Force. The large bulk of the consignments reaches the port of Latakia. [Text] [TA270753 Tel Aviv HA'ARETZ in Hebrew 27 Jul 82 p 1]

CSO: 4400/389

**UNITED ARAB EMIRATES**

**BRIEFS**

**ARABIC TO BE COMPULSORY--**A law has been prepared by the UAE Ministry of Justice, Islamic Affairs and Awqaf making the use of Arabic language compulsory in letters, documents and signboards of all organisations in the public and private sectors. Diplomatic missions and international or regional organisations will be exempted from articles 2, 3 and 4 of the draft law on a reciprocal basis.  
[Excerpts] [GF121247 Dubayy KHALEEJ TIMES in English 12 Jul 82 p 3 GF]

CSO: 4400/371

YEMEN ARAB REPUBLIC

INTERVIEW WITH PRESIDENT SALIH

GF190545 San'a' Domestic Service in Arabic 1700 GMT 17 Jul 82

["Text" of interview with President Col 'Ali 'Abdallah Salih to the newspaper AL-THAWRAH of 17 July "On the Occasion of the Fourth Anniversary of His Election By the People as President of the Republic and Commander in Chief of the Armed Forces"--read by announcer]

[Text] [Question] Brother President, we meet you on the fourth anniversary of your election by the people to the presidency of the republic and to the position of commander in chief of the armed forces. How do you evaluate the last 4 years? Have you (?fulfilled) all your ambitions?

[Answer] Evaluating the last 4 years is up to the people, not only because I don't want to talk about myself, but because the people have the right to make such an evaluation because they are the only party that has experienced all the stands we have adopted and that has followed up all the achievements and developments. They are also (?able) to [word indistinct] one stage after the other. We believe that the picture of what our country has achieved during the past stage is clear to our people. We tried as much as possible to make this stage reflect the work and the outcome of efforts being exerted to fulfill all the popular ambitions in various fields of internal development and construction and to realize the goals of the revolution's sublime plan on the level of our Arab and international foreign policy. That is why we cannot say that the accomplishments that have been achieved during the past 4 years have embodied all ambitions because ambitions are usually bigger than potentials, situation and capacity. However, we will be frank if we say that we have done our best; therefore, what has been achieved is a big victory for our country, considering the backwardness and the obstacles we have surmounted. It is also a fulfillment of a great part of the popular ambitions which have exceeded the limits of capacity of a country such as ours.

[Question] What is the most important thing on which you will concentrate on the level of internal development [word indistinct] and democracy during the 5th year since your assumption of responsibilities?

[Answer] Of course, national action is unlimited. Similarly, the responsibility of leadership is linked with all factors of constructing the state of an improved Yemen and of establishing a modern improved, just and

prosperous society. No doubt all ambitions are linked to this and we are responsible for fulfilling them and for realizing more of the 26 September plan's goals to reach a stage of perfection. However, what we will concentrate on—particularly during the coming days—is to try to convene the General People's Congress on 24 August in order to approve the national charter in its final form after surveying the people's opinion on this project. The congress should outline means of applying the national charter within the society and state since it includes the principles and values that regulate the practices of the state and the citizen [word indistinct] national action in the Yemeni arena in a way that enhances the national unity and the enjoyment of freedom and the embodiment of democratic practices within a clear vision and a joint action in which all the Yemeni masses take part. We will also try to hold direct and free elections for the Consultative Council, particularly since these elections have been prepared for; the people must continue [word indistinct] true democracy for their revolution in a comprehensive way in harmony with their heritage and revolutionary ambitions. Within the same democratic framework, elections must be held for municipal councils, which are the basic bricks for the democratic structure in the country's experience. We will also try to push forward the process of implementing the second 5-year economic and social development plan now that we have approved its final form. This step will be a continuation of the development process in our country. The new direction of the second plan means establishing a strong national economy based on a massive agricultural and industrial foundation dependent on the Yemeni administration controlling it so as to lead to new horizons of self-sufficiency.

[Question] Brother President, how do you evaluate the current Arab situation and what are the means to tackle the worsening situation of the Arab nation?

[Answer] We cannot despair amid the pain and sorrow. We express our profound regret for all the verbal reaction and the media information fuss which has not stopped, nor will it stop the bloody depletion of our nation's sons and recover one piece of our usurped territory or the dignity and right which are violated every day. In view of this challenge which has exceeded all limits, the Arab countries are called on, more than ever, to unify their ranks, to rise above all differences and shoulder their national responsibilities in order to confront and foil all these aggressions aimed at undermining their presence and dignity and at liquidating their just issue. They are also called on to implement the resolutions and the charters they believed in and committed themselves to through the Arab League, which constituted the nucleus for Arab meeting and solidarity particularly now that dealing a blow to solidarity as represented by the Arab League is one of the basic goals of the Israeli enemy and international Zionism. This calls on the Arab countries to preserve this great national (?achievement) which makes it impossible for any to free itself from the commitment to implement the Arab League resolutions and its charter, including the joint Arab defense charter, to confront any aggression against any Arab country. This is directly associated with the Arab nation's historic and national responsibility toward all the threats to its national entity and cultural presence wherever these threats come from, foremost of which is the threat represented in the Israeli invasion of Lebanon.

[Question] Brother President. We have seen that during the Popular Congress elections not a single woman had nominated herself. Will the YAR women take part in the General Popular Congress which will endorse the final draft of the charter?

[Answer] Yes. YAR women will take part in the meetings of the General Popular Congress because this is their right by virtue of the religion which made women men's sisters and by virtue of the September revolution which restored YAR women's honor and status. If they did not nominate themselves, we shall make them participate by appointment in order for them to give their opinions in this important issue just like men. Women in our country have proved, praise be to God, that they are equal to men and are able to bear heavy responsibilities within the society. Women are the working mothers, farmers, doctors, nurses, employees and teachers. Women are half the strength of YAR society and cannot be ignored. Thus, it is a must for them to take part in the General Popular Congress.

[Question] You pay special attention to the process of building the armed and security forces. To what extent have you succeeded in accomplishing this objective?

[Answer] The process of building the armed and security forces is one of the important goals of the 26 September revolution. This process means the construction of a force which is capable of protecting the revolution's gains and guarding the country's freedom, sovereignty and stability. There is no doubt that we have made great strides toward the accomplishment of this goal through our concentration on a number of priorities that are based on quality rather than on quantity. We have also been anxious to provide the armed forces with new groups and that is why we issued the national defense law. Thanks to the national conscience of the YAR youth, we have been able to achieve success in the implementation of this law. We have also adopted the principle of specialization by expanding the establishment of military colleges and schools and by following modern methods of training and armament. We also followed a protective policy against threats of armament by adopting the policy of varying the sources of arms in order to guarantee our country's independence and its commitments to positive neutrality and nonalignment. In spite of all this, we find that the number of units that graduate today from various armed and security forces is bigger than yesterday's numbers.

[Question] How do you view our [word indistinct] throughout the past 20 years of this blessed revolution?

[Answer] There is no doubt that we were able to achieve great victories in the process of accomplishing the goals of the eternal September revolution in spite of the lack of resources and in spite of the prevailing difficulties in our country. With the will of the struggling YAR people and through the cooperation of our brothers, we have been able to achieve a large part of our revolutionary ambitions in the political, economic, military, social and cultural fields. This accomplishment appears rather great when one realizes that the country started from nothing in any field,

either in the establishment of the state, the development of the society and the organization of its relations or in the society's character and the establishment of the status of the Yemeni state on Arab and world political maps. There are still unlimited ambitions before our people. In spite of our limited resources we are determined to complete the revolution's march, as I said in my answer to the first question. [Words indistinct]

[Question] Unity between the two Yemens is one of our people's great dreams. The unifying action between the two Yemens witnessed a development at this stage. What is your evaluation of the accomplishments that have been achieved and what are the obstacles which prevent the achievement of this goal? What is your view of the future?

[Answer] The Yemeni union is the destiny and fate of the Yemeni people. It is an absolute demand that must be fulfilled sooner or later. Our union talks with the brothers in the southern part of the homeland are aimed at concentrating positive and constructive efforts to achieve this goal. There is no doubt that by virtue of this dialogue we have been able to achieve a number of important unifying steps, such as the establishment of joint corporations between the two parts. The agreement of cooperation and comprehensive coordination between the two parts of the homeland has come to make the vision of unifying action clearer and also make it one of our important accomplishments. We have finally been able to produce the constitution of the United Yemeni State. Since we have obtained the most important fruit of the most important committee of the unifying committees--that is, the unity constitution that was accomplished by the Constitutional Committee--what remains to be done will follow soon. This constitution has exempted us from minor matters. Now we can see our greatest goal, namely Yemeni unity.

However, we have a program for the functioning of the other committees which have not yet finished their activities. They will finish their work as soon as possible. It is also agreed that the Ministerial Committee which was formed in accordance with the aforementioned cooperation agreement will hold a meeting following the 'Id Holiday in order to coordinate the work of committees and adopt new practical steps in order to reestablish unity.

[Question] No doubt our country's important strategic position has had an impact on the YAR's internal, Arab and international policy. What, in your view, is the effect of this position on YAR policy, and what are the general lines of YAR policy on [words indistinct] Arab and international? Where does our country lie in the policy of blocs?

[Answer] We understand the (?sensitive) friction which is caused by our country's important strategic and geographical position; we make our accurate calculations in order to preserve this position to serve the YAR's and our Arab nation's interests. No doubt you remember that the [word indistinct] Bab al-Mandab had an effective role in the victory during the October war against the Zionist Israeli enemy. We are ready to shoulder our full responsibilities which [words indistinct] our presence in this

Arab region. No doubt this position has its influence on our political stand, which has made us adhere to the positive policy of nonalignment and neutrality and to the rejection of any foreign alliances or blocs of any origin.

As for the broad lines of our country's foreign policy, they can be briefly summed up in our principled commitment to our national pan-Arab character and the Arab nation's interests and its fateful and national issues; the commitment to the policy of nonalignment and neutrality and the open door policy with all countries on the basis of mutual respect, equality, non-interference in internal issues and the belief in peaceful cooperation and co-existence within a balanced policy. We do not adopt a balanced policy only as an end but also as an indispensable means to give us the chance to cooperate with all parties in constructing our country and in building our intrinsic strength. As for the policy of blocs, we reject it. Our country is in a sensitive position that will never swing to the left or to the right or to this bloc or that.

[Question] Our country has agreed (?with all) Arab countries to grant PLO offices full diplomatic standing: it has also opened the door for the people to volunteer to join the PLO ranks. What is the motive behind these positive stands and how do you view the future of the Palestinian issue and the occupied Arab territories in view of the current balance of power between the Arabs and the Zionists and their allies, particularly after the invasion of Lebanon and the (?Israeli siege of Beirut)?

[Answer] The Palestinian issue requires all kind of aid--political, material and moral--as well as a supply of fighters for the ranks of the Palestinian revolution. We in the YAR are concerned with offering all that we can--men, potentials and initiatives--which we believe will benefit the Palestinian revolution. We believe that granting the PLO offices in Arab countries the status of embassies is an important step toward establishing a Palestinian state where the [words indistinct] full (?recognition) of the Palestinian entity--country, land, people and state, particularly at a time when the Palestinian revolution is currently facing a grave (?conspiracy) on the international level aimed at liquidating it and at putting an end to the Arab Lebanese people's ambitions. The goals of the Israeli invasion of Lebanon are the most evident example of this, considering all the reactions to it. Nevertheless, we affirm that the future of the Palestinian revolution is closely linked to the unified Arab stand, which must be achieved as soon as possible so that the threats will not become more serious and Israel will not continue to implement its expansionist aggressive plots against the Arab nation and its (?national) sovereignty. Without this, the situation will remain as it is, or become even worse, which is what the enemies of the Arab nation are planning.

[Question] In the last stage, Iran began to widen its aggressions against the Arab Iraqi territories, particularly by shelling the city of al-Basrah, and this is contrary to the [words indistinct] Iraqi stand. What is your opinion on this, and how do you view the solution to the Iraqi-Iranian war?

[Answer] (?The brothers) in fraternal Iraq have shown their utmost concern with peace and the region's stability and their hope for a peaceful and just solution to the dispute at a time when Iranian transigence increases through continued fighting, destruction of the potentials of the two Muslim peoples and killing of innocent people. This stand contravenes values of the honorable religion of Islam and (?sincere) dialogue. We are still hoping that the Iranian officials--regardless of their repeated aggressions against al-Basrah and regardless of the withdrawal of the Iraqi Army to the international border--will be ruled by reason and will respond to the current initiatives to peacefully resolve the problem. In this regard, we support the wise resolution which the Security Council adopted which calls for a cease-fire between Iraq and Iran, and we deem it necessary for the Security Council to study the appropriate means to implement this resolution, although we believe that the unified Arab and Islamic stand on this war is the basis for the solution of this problem.

CSO: 4400/383

END

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**DATE FILMED**

August 10, 1982